

**Yukon Legislative Assembly
Whitehorse, Yukon
Wednesday, March 21, 2012 — 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 recognition of International Day for the Elimination of Racial Discrimination

Hon. Mr. Nixon: I rise today to recognize the International Day for the Elimination of Racial Discrimination. On this day we remember the Sharpeville massacre, when 69 people peacefully demonstrating against apartheid were killed by South African police. Since then, we have built an international framework for fighting racism guided by the *International Convention on the Elimination of All Forms of Racial Discrimination*.

Last month, Canada appeared before this convention's United Nations committee when they reviewed Canada's 19th and 20th report on how we are implementing the provisions of the convention. For the members' information, this report is published on the United Nations website, the Committee on the Elimination of Racial Discrimination.

In introducing the report, the head of the Canadian delegation, Catrina Tapley, affirmed that we take our responsibilities under the convention with the utmost seriousness. All levels of government, civil society and stakeholders play an important role in combating racial discrimination. Canada is evolving and the government recognizes the need to create a background in which all citizens, regardless of ethnicity, can prosper and benefit. The Yukon contribution to the report noted: our labour market programming; our aboriginal languages and cultural education; how we are addressing violence against aboriginal women; how we are increasing the representation of aboriginal people in the public service; how we are developing a foreign qualification recognition strategy, and the number of complaints on the grounds of race — three in the last three years which have been dealt with by the Yukon Human Rights Commission.

Racial discrimination is one of the prohibited grounds for discrimination in our Yukon *Human Rights Act*. We are presently engaged in a review of that act and phase 1 recommended improvements that have already come into effect. We have published a report of the all-party committee on part 1 of phase 2 of the review and will be assessing plans for the implementation of the recommendations in the near future.

We have human rights laws and other laws to prevent and deal with our discrimination against immigrants but we all need to show them our support. Here in Yukon, we celebrate the

increasing diversity of Yukon people. In the last 13 years, 826 people have come to settle in Yukon from other countries with Poland, Germany, and China topping the list. We provide funding to the Multicultural Centre of the Yukon which delivers a variety of programs for immigrants, including safety training and integration services such as the ready-to-work program. The Multicultural Centre works extensively with Yukon employers to aid them in providing an accommodating work place and to provide employee schedules that enable them to attend the centre.

The Multicultural Centre also works with all levels of government and education on many different initiatives as a key stakeholder essential to ensuring access and removing barriers. The first article of the *Universal Declaration of Human Rights* affirms that all human beings are born free and equal in dignity and rights. The International Day for the Elimination of Racial Discrimination reminds us of our collective responsibility for promoting and protecting this ideal. I encourage all members of the public to attend the program, remembering this international day that is sponsored by the Yukon Human Rights Commission and the Yukon College diversity project. It takes place at the Old Fire Hall on Wednesday, March 21, today, from 4:30 to 6:30.

Thank you.

Ms. Moorcroft: On behalf of the Official Opposition I rise to pay tribute to the International Day for the Elimination of Racial Discrimination. As legislators, each of us has a duty to uphold the law, including the body of international law established by the General Assembly of the United Nations. Canada has signed on to the *Universal Declaration of Human Rights* that affirms all human beings are born free and equal in dignity and rights.

Secretary General Ban Ki-moon's statement this year calls "on all people to join the United Nations in our drive to eliminate racism. We must individually and collectively stamp out racism, stigma and prejudice."

This Assembly stands on the traditional territory of the Ta'an Kwäch'än Council and Kwanlin Dun First Nation. Ta'an Kwäch'än Council and Kwanlin Dun First Nation, along with 24 community groups, have demonstrated leadership on eliminating racism by advocating that Whitehorse join the Canadian Coalition of Municipalities against Racism and Discrimination. The United Nations Educational, Scientific and Cultural Organization, UNESCO, launched the Coalition of Cities Against Racism and Discrimination initiative in 2004 and locally, these groups first approached the City of Whitehorse to ask for its support of the Coalition of Cities against Racism and Discrimination since 2006.

I am very pleased to recognize the City of Whitehorse, which later today, on the International Day for the Elimination of Racial Discrimination, will be signing on to join the Coalition of Municipalities against Racism and Discrimination. I look forward to seeing the minister and other members at the Old Fire Hall later today for that event.

The Canadian Coalition of Municipalities Against Racism and Discrimination aims to help broaden and strengthen our

society's ability to protect and promote human rights through coordination and shared responsibility among local governments, civil society organizations, and other democratic institutions.

By taking action to combat racism and multiple forms of discrimination, municipalities are able to build respectful, inclusive and safe societies where everyone has an equal opportunity to participate in the economic, social, cultural, recreational and political life of the community.

Still today, although we stand to pay tribute to our belief that equal opportunity and treatment should exist for all people regardless of race, colour, national or ethnic origin, we need to be reminded of what we can do to eliminate racism. Unfortunately, the ideal of equal treatment has proven difficult to achieve. We do have a way to go to achieve equality for all members of society.

Racial discrimination goes hand in hand with poverty, unemployment, poor health, addictions and suicide. These conditions are often beyond the control of the person or group being discriminated against. They are debilitating and disruptive to the general society.

Mr. Speaker, improving housing availability and social supports to people facing discrimination is a part of the solution to ending racism.

A troubling example of racism is the over-representation of aboriginal people in our correctional systems, both territorially and nationally.

The residential school system in Canada damaged generations of aboriginal children and their families by removing children from their homes and communities, telling them their culture was pagan and unclean and subjecting them to discrimination and, in many cases, physical and sexual abuse. This, too, was institutional racism.

Every resident of Yukon has the right to realize his or her potential and live at all times in conditions of dignity, respect and peace. On the International Day for the Elimination of Racial Discrimination, I would like to pay tribute to all the people who work in the field of advocating for human rights, upholding human rights and who remind us of our responsibility toward our fellow human beings.

I am pleased to acknowledge that we have in the gallery today some of the staff from the Yukon Human Rights Commission, including Lillian Nakamura Maguire, who is a member of the Coalition of Community Groups Against Racism, which has appeared before the City of Whitehorse, which has now agreed to sign on to the International Coalition of Cities Against Racism and Discrimination.

Thank you, Mr. Speaker.

Mr. Silver: I rise today on behalf of the Liberal caucus to pay tribute to the International Day for the Elimination of Racial Discrimination. The International Day for the Elimination of Racial Discrimination is observed annually on March 21 as the world commemorates the anniversary of the 1960 Sharpeville massacre. On that day in 1960, police opened fire and killed 69 people at a peaceful demonstration protesting racially discriminatory laws. The United Nations first pro-

claimed this day in 1966 and called on the international community to support efforts in eliminating all forms of racial discrimination.

Canada was one of the first countries in the world to support the UN declaration, thereby making a commitment to develop and promote universal respect for human rights and fundamental freedoms for all through the *Canadian Charter of Rights and Freedoms*.

The first article of the *Universal Declaration of Human Rights* affirmed that all human beings are born free and equal in dignity and rights. Discrimination between human beings of race, colour, or ethnic origins is an offence to human dignity and the principles of the charter of human rights.

The world has come a long way since the Sharpeville massacre, but the struggle to end racism is far from over. It is unfortunate that in today's world, in many regions, too many individuals, communities and societies are still suffering from the injustices and stigma that racism brings.

Racism and racial discrimination is a set of beliefs that asserts the superiority and power that abuses or disadvantages others on the basis of colour of skin or racial or ethnic heritage. Today our society still has to struggle against racial hatred, discrimination and intolerance. Racism and discrimination are rooted in the fear of what is different. The time has come for society to truly understand that through our differences there is potential for mutual enrichment. Diversity should be treated as a gift, not as a threat.

International Day for the Elimination of Racial Discrimination reminds us of our collective responsibility to continue our efforts in the fight against racial discrimination wherever and whenever it happens. We must reaffirm our commitment to the prevention and eradication of racism and racial discrimination. I urge all Yukoners to take responsibility for our freedoms and take a stand against racial discrimination. Each and every day, by our individual actions, let us do our part to promote equality, justice and dignity for all people and help bring an end to racism and discrimination in our society.

I, too, look forward to meeting up with the other MLAs today at the Old Fire Hall.

In recognition of National Nutrition Month

Hon. Mr. Graham: Mr. Speaker, I rise on behalf of all members in the House today to acknowledge that March is National Nutrition Month in Canada. Each March, dieticians in Canada join together to promote smart and healthy food choices. This year the theme is, "Get the real deal on your meal."

The campaign focuses on 39 common nutritional myths and provides research-based responses to each myth. The campaign is being promoted in local newspapers, our Health and Social Services website, Facebook and Twitter.

Nutrition Month is an opportunity to educate ourselves on how to choose healthier foods, how to properly read nutrition labels, the importance of eating together as a family and much, much more.

Health and Social Services promotes healthy eating through initiatives such as "Drop the Pop", which encourages young people, teachers and parents to stop and think about their

drinks. Other initiatives like the *Good Nutrition = Good Learning* brochure, the *My Amazing Little Cookbook* and *Take Back the Dinner Hour* encourage healthy eating for families as well.

The department has a community dietitian on staff who is available to give presentations on healthy eating to members of the communities, such as non-profit organizations or student groups.

In 2010 the Yukon Nutrition Framework was completed. This long-term plan expands nutrition services by focusing on healthy eating, food security, chronic health conditions and special populations. The Yukon's nutritional needs differ from the rest of Canada because of its population and geography. The Yukon Nutrition Framework concentrates on Yukon-specific challenges and initiatives. The Government of Yukon is committed to supporting proper nutrition and healthy eating habits as fundamental to the health of our community.

Thank you.

Speaker: Are there any further tributes?
Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Dixon: With us today in the gallery we have a number of representatives from Air North who are here to take in some of the discussion around Motion No. 84, standing in the name of the Member for Watson Lake. The folks are going to be coming and going as the day goes on, so I'll list them all, but I think we have some of them with us today so far: Deb Ryan, the manager of communications, sales and marketing development; Joe Muff, director of commercial flight operations and charters; Karen Pearson, manager of human resources; Nigel Cripps, director of airports; Tom Walchuk, director of maintenance. Throughout the day, we will also have representatives from the Vuntut Gwitchin Limited Partnership, including: Ron Daub the executive director; Pauline Frost-Hanberg, director; Maxine Netro-Fehr, executive assistant; Brenda Bingham, the property manager; as well as Joe Sparling, president and CEO; Bill Lamerton, vice-president of commercial development; Greg Charlie, board of directors for Vuntut Gwitchin; as well as Sharon Miller, manager of sales; and Christopher Griffiths will be joining us today. So I would ask members to please welcome these folks to the gallery.

Applause

Speaker: Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Kent: Pursuant to section 5(h) of the *Education Act*, I would like to table the annual report of the Yukon Department of Education. This Department of Education annual report reports on the state of education in the Yukon for the 2010-11 school year.

Further, Mr. Speaker, I would also like to table the *Yukon College Annual Report 2010-11* and attached to this document is the independent audit conducted by the Auditor General's office.

Speaker: Thank you. Are there any other returns or documents?

Are there any reports of committees?

Are there any petitions?

Are there any bills to be introduced?

INTRODUCTION OF BILLS

Bill No. 37: Introduction and First Reading

Hon. Mr. Nixon: I move that Bill No. 37, entitled *Act to Amend the Territorial Court Act*, be now introduced and read a first time.

Speaker: It has been moved by the Minister of Justice that Bill No. 37, entitled *Act to Amend the Territorial Court Act*, be now introduced and read a first time.

Motion for introduction and first reading of Bill No. 37 agreed to

Speaker: Are there any further bills for introduction?
Are there any notices of motion?

NOTICES OF MOTION

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

THAT this House urges the Minister of Highways and Public Works to work with the community of Old Crow, the Vuntut Gwitchin government, the Vuntut Gwitchin Limited Partnership, and the private sector and industry to build a winter road from the Dempster Highway to Old Crow in 2013 that is capable of accommodating light truck traffic.

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

THAT this House urges the Yukon government to continue to implement the *Energy Strategy for Yukon* to promote a sustainable and secure energy future.

Ms. White: I rise to give notice of the following motion:

That this House urges the Yukon government to consult with youth organizations, Skookum Jim Friendship Centre, Many Rivers Counselling and Support Services, and First Nation governments to determine the need, location and ongoing funding for a youth shelter in Whitehorse, recognizing that requirements for youth are different from the general population, and to develop a plan to open a youth shelter by September 2012.

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

THAT this House urges the Government of Yukon to respond to local not-for-profit and private industry interests in the remediation of the John Korbo Apartments building site in Dawson City so that the location may be used for a new affordable housing project.

Speaker: Are there any further motions?
Is there a statement by a minister?
This brings us to Question Period.

Before we start, though, I'd like to remind all the members that you have limited time for questions and answers. Please do your best to stay in there. I don't want to have to shut you down.

QUESTION PERIOD

Question re: Affordable housing

Ms. White: Yesterday the mayor of Dawson City, and former Yukon Party Cabinet minister, denounced this government's mismanagement of land. Twenty industrial lots in Guggieville received no bids due to the high prices set by the Yukon government. The mayor said, and I quote: "No one's wanting to pay that kind of price. It's far easier to go out and stake your mining claim and acquire land that way, and that's exactly what it's going to encourage."

Does the minister responsible for both lands and mineral development support this concept — that Yukoners of modest means stake claims in order to find an affordable place to live?

Hon. Ms. Taylor: Well, again, for the member opposite, this government is indeed very much committed to making available affordable and available land development throughout the territory. The City of Dawson is one of those communities that we are working with.

With respect to the lots that the Mayor of the City of Dawson was referring to yesterday, I am pleased to report that the prices of those lots are indeed based on recovery of development costs. In fact, those costs include consultation, planning, design, regulatory approvals, earthworks, overhead three-phase power installation, installation of phone lines, legal surveying, and it also includes a number of road improvements — BST application — to occur later on this summer. Of course, it also includes many more developments that go into land development sales such as this.

We are pleased to make available a number of new industrial lots in the City of Dawson and we continue to work with them on residential lots, as well.

Ms. White: So with those 20 lots in Dawson, and not one bid due to the high prices, the mayor says that they were priced at 10 times their real value. I can understand that there are other options in there.

There are other examples of high prices leading to few or no bids, like the lots in Grizzly Valley and the lot in Copperbelt South. Imagine if the same situation plays out with the massive number of Whistle Bend lots. What will we do then? How does this government claim to be addressing the housing crisis when it has priced land so high that no Yukoners on modest incomes can make a bid?

Hon. Ms. Taylor: Mr. Speaker, again, when it comes to land development, it is complex. It does certainly entail much time and a number of costs. As I just tried to articulate in my former response, infrastructure required for any new subdivision includes many various pieces of infrastructure, including water storage, supply distribution, waste-water collection, disposal, asphalt roads, concrete curbs, sidewalks and storm-water drainage. The list goes on.

We are very much committed to making land available for Yukoners, and that is why we did include \$35 million worth of

expenditures for land development to occur throughout the territory, all of which will culminate in over 300 residential lots being made available by the end of 2013. Rest assured, the government is working collaboratively with all the respective departments, in collaboration with our municipal partners to do just that.

Ms. White: Mr. Speaker, I would like to thank the minister for her answers.

The housing crisis is a complex problem and we require a comprehensive strategy to address it. The public doesn't see a comprehensive housing strategy; they see a government that lacks vision and keeps referring to their "platform". They see \$13 million in affordable housing funding from Canada as it sits in the Yukon government's bank account. They see a cut of \$9 million in the housing budget. They see dismissals of NGOs, like the Northern City Supportive Housing Coalition, that put forward a great proposal to help the hard-to-house. They see no changes in policy to reasonably priced land so that Yukoners can afford them.

When will the Yukon public see a comprehensive strategy, with real solutions to the housing crisis, and not just be given the Yukon Party's election platform?

Hon. Mr. Kent: In response to the member opposite's question, I did mention in the House yesterday that the previous Yukon Party government did substantial work over the past two years creating new housing units on the social side — 127 new housing units were constructed; 350 housing units were upgraded; so now there is a total of 663 affordable social housing units throughout the Yukon to provide independent living housing for low-income Yukoners. Of course, we are currently in this sitting debating the 2012-13 budget that includes almost \$35 million for land development.

We have signed a letter of understanding with Kwanlin Dun First Nation. Whistle Bend, phase 1, is scheduled for this fall. Funding for the City of Whitehorse to begin planning for future land development after Whistle Bend — our plan was contained in our platform, just as the housing plans for the two opposition parties were contained in their platforms. On October 11, Yukoners did elect a majority Yukon Party government, and we intend to follow through on the commitments in that platform and provide housing for Yukoners.

Question re: Keno City mine development

Mr. Tredger: The residents of Keno have tried, with some success, to diversify their economy into something sustainable — in this case, tourism. However, that path is threatened. To see the impact of the haul roads, the crushing mill, the location of the new blasting and mining — all within a thousand metres from their homes — not to mention the very real concerns over air and water quality, brings home the plight of this community. This development is undermining the health and vibrancy of the community. Mining is important in the region, but the residents of Mayo feel abandoned by the government. They are frustrated.

Will the minister commit to meeting with Alexco Resources and the residents of Keno to resolve their outstanding concerns?

Hon. Mr. Cathers: Again, I would point out to the member that government has worked in keeping with its responsibilities. Some of what the member is referring to is that there have been, for a very long time, certain rights with mining claims in that area that formerly were held by United Keno Hill Mines Ltd. They were transferred to Alexco Resources by a decision of the courts in the receivership process. Alexco, as they proceed with development on those areas, must go through the Yukon Environmental and Socio-Economic Assessment Board process. They do that. There is opportunity for community input and for decisions to be made on the basis of all factors.

Mr. Tredger: Mr. Speaker, Yukoners want responsible mining; residents of Keno want responsible mining; the NDP wants responsible mining. Keno has seen a 40-percent drop in tourism activity over the last year. The historic Silver Trail from Mayo to Keno has become a dangerous industrial road. Locals feel they are taking their lives in their hands, and tourists are avoiding it.

Tourism can flourish in Keno, and the Yukon government has a responsibility to promote economic diversification and balance. A community is being sacrificed for shareholder dividends.

Will the minister tell this House how the situation in Keno is in any way an example of responsible mineral development?

Hon. Mr. Cathers: I am pleased to have that opportunity. What the member is failing to recognize is that, in fact, Alexco took on a unique role as part of the court process that occurred and then took control of the assets. They are doing ongoing cleanup work there in the unusual situation of doing cleanup remediation that had been sitting there and had been an existing environmental liability and potential risk to the community. That company is actually taking action to clean that up, in accordance with what has flowed out of the court receivership process. So they are taking action to reduce health and safety risks to the people of Keno that previously existed.

Mr. Tredger: Alexco is indeed doing the cleanup; they have also been doing the mining and a subsidiary of theirs is doing the monitoring for our government. The residents in Keno are actively talking about packing up and leaving. What is happening here? These Yukoners have created a community based on more than just mining, and they are losing that community and their livelihood. These are families who may be forced to sell at a loss — to lose everything they have worked for over the last 20 years, just to meet the short-term goals of a major, multinational corporation with head offices Outside.

The concerns we are hearing is that Keno is the canary in the coal mine, and the precedents set there could be repeated throughout this territory. Mr. Speaker, through you to the minister: is the situation in Keno an example of balance that the Yukon Party government wants for the Yukon?

Hon. Mr. Cathers: I think the member should be cautious in the approach that he takes. I appreciate him reflecting the concerns of his constituents, but I think in fairness to the company, he should be careful on some of the verbiage that he directs toward that company. They have a reputation as well, and when the member makes comments about them, they don't

have the opportunity to defend themselves on the floor of this House.

What this government has done and will continue to do is fulfill our role as a regulator; hold the company responsible for doing what it is required to do and should do under the quartz mining licence; fulfill our role as a regulator in providing the appropriate monitoring and enforcement of the situation.

In the situation the member talked about, I'd give another example of what we're doing. We have half a million dollars in this year's budget for work on the Silver Trail, and the Department of Tourism and Culture, under the Minister of Tourism and Culture, have put investments in the past to promote Keno as a tourism destination.

So again, this government has and will continue to support the desire of residents of the Keno area to promote tourism businesses as well. We want to see a balanced outcome, but again, I would encourage the member to be careful and be balanced in his comments. We all expect — and should expect — the company to behave responsibly. I believe I'm out of time, Mr. Speaker. Thank you.

Question re: Whistle-blower protection legislation

Mr. Elias: On March 28, 2011, the minister responsible for the Public Service Commission told this House, and I quote: "...until that select committee does its homework and completes that work, we won't be able to proceed with whistle-blower legislation."

Well, Mr. Speaker, that homework has been completed. The select committee put forward recommendations to the Yukon Party government almost a year ago for review in the form of a minority report on whistle-blower legislation. Rather than providing feedback, the government wants to form a new committee and start all over again. There is no need for another select committee on whistle-blower legislation. We just need the government to show some leadership. This government could call the last committee's recommendations for debate in the House and offer amendments, if necessary.

So I will ask the minister responsible this question: when can we expect a debate to happen in this House with a government-sponsored whistle-blower legislation bill on the floor of this House?

Hon. Ms. Taylor: Mr. Speaker, first of all I would just like to point out that, again for the public record, the Government of Yukon is committed to developing whistle-blower protection, and we have extended an invitation to all members of the Legislature. We have received confirmation — thank you to members of the Official Opposition. Unfortunately the only ones who seem to be holding out at this stage in the game are the members of the Liberal Party who refuse to actually participate in the Select Committee on Whistle-blower Protection.

The minority report the member opposite referred to — when that was tabled in the Legislature on not only one but two occasions, it was actually a breach of the Standing Orders. It was a breach because it's a report of the Official Opposition and the Third Party, not of all three parties. That work remains incomplete. We do remain committed to whistle-blower protec-

tion. We just hope that the members of the Third Party will recognize that.

Mr. Elias: As I said in the fall sitting, Mr. Speaker, I'm not going to validate this Yukon Party stall tactic by appointing a member of our caucus to a select committee where 90 percent of work is already complete. Basically, the minister should give me a break, because with a minority report on whistle-blower legislation, I tabled the *Disclosure Protection Act* twice on the floor of this House. They've got 10 recommendations from a select committee that already did its good work. It spoke to the public already, so, the minister's words are ringing a bit empty with me.

How long does this Yukon Party government need to look at this legislation? They've had a majority government for over 10 years. They just put forward another territorial court act this morning, and we didn't need a select committee for that. Isn't that odd? So when can we expect a piece of legislation with regard to whistle-blower legislation debated on the floor of this House? It's a simple question.

Hon. Ms. Taylor: Well, I guess I go on to respond: as soon as all of the respective members in the Legislature decide to get down and roll up their sleeves and do the good work in coming up with effective and timely whistle-blower protection. To the credit of the NDP, we have heard from them. We've received confirmation of their participation on the select committee. We have also received confirmation from our side of the Legislature. All that we are waiting for are the members of the Third Party.

Now the bill — the actual private member's bill that the member opposite made reference to — was actually, ironically, identical to the bill that was also tabled by the member's predecessor, the former Member for Porter Creek South, as I seem to recall.

It was a bill that at that time their own member even recognized and referred to how it may or may not be worth doing something about. So perhaps the member decides to put forward that bill for tabling for discussion, perhaps that member would like to take that out for discussion and public consultation, or better yet, join in the select committee and get at the whistle-blower protection.

Mr. Elias: Our caucus is not going to be participating in the select committee. We are not validating a process that is the equivalent of a stall tactic. This is a promise that the Yukon Party government continues to make and continues to break. They always talk about their platform, their platform, their platform. Whistle-blower legislation was in the 2002 Yukon Party platform, 2006 Yukon Party platform, and the 2011 Yukon Party platform. They have had majority governments each and every time and they refuse to fulfill their promises within their own platform. The Public Service Commission minister says they are committed to whistle-blower legislation. I don't think so. The Yukon Party governments have been using taxpayers' dollars to make people think that they are making progress when they are actually having no intention of completing this project at all. It is time for the minister to roll up their sleeves and get to work.

We won't support this bad behaviour, so when can we see legislation on the floor of this House?

Hon. Ms. Taylor: Ironically, it was also in the 2000 Liberal election platform. Unfortunately, the Liberal government chose to do nothing with that election commitment as well.

It is this side of the Legislature, in addition to the members of the New Democratic caucus, who are committed to developing effective and timely whistle-blower protection. We are committed to doing that work. We look forward to receiving confirmation from the Third Party and we certainly hope that they will reconsider their position and put forward their participation on this respective committee. In the meantime, I just want to also reiterate that there are a number of pieces of public sector legislation, policies and a number of elements throughout the collective agreements that also provide a variety of dispute resolution mechanisms available to our employees in the meantime.

Question re: Oil-fired appliance safety

Ms. Moorcroft: I was reading a news release this morning about the formation of a committee to address problems with oil-fired appliances. In the release, a member of the committee was quoted as saying, "We are finding problems ranging from owner-installed furnaces, to poor or no maintenance on the furnaces. We are working together to create and apply solutions to keep Yukon homes safe and warm."

That press release was from 2008. It trumpeted the creation of the Oil Fired Appliances Advisory Committee. Can the minister explain this committee's role in actions undertaken since 2008 to increase public safety?

Hon. Mr. Kent: Referencing another press release that went out this morning, I, as minister responsible for the Yukon Housing Corporation, in partnership with the Minister of Community Services, have tasked a working group to come up with an action plan. We are very interested in moving forward. There was some good work done on the recommendations that were put forward by the advisory committee on public education and training, as well as a regulatory change that assisted with new builds and the installation of oil-fired appliances.

What we have tasked this working group with, which is chaired by the same gentleman who chaired the advisory committee, is to come up with an action plan and deliver that action plan to the Yukon Housing Corporation and the Yukon government so that we can have a made-in-Yukon solution that works not only in downtown Whitehorse, but also in communities such as Old Crow, Mayo, Carmacks and Watson Lake.

Ms. Moorcroft: I did read that other press release this morning, dated today, March 21, 2012, which states the government has announced the formation of a working group to address the status of oil-fired appliance and oil-tank safety in Yukon. The minister has just said that the Yukon government is committed to improving safety as it pertains to installation and maintenance of oil-fired appliances and tanks in Yukon. We support this initiative, just as the NDP caucus in 2008 supported the previous committee. What assurance can the government give us that this new committee is not just a rehash of

the old and that its formation will lead to real, bold improvements for public safety?

Hon. Mr. Kent: With regard to the recommendations from the advisory committee, as I mentioned, we have done a number of initiatives with respect to those recommendations — assisting homeowners in safely heating their homes by reminding them of the importance of annual furnace maintenance by a qualified technician. There has been training offered through Yukon College and, as I mentioned, there were interim regulations, including — we amended the building standards regulations in 2010 to clarify that a valid permit is needed to install or modify a heating device, including a fuel tank and/or chimney.

So that work has already been accomplished. What we have committed to today is to form this working group, have representatives, not only of government departments — Community Services, Education — but also community stakeholders, First Nations and industry. We want to make sure that the action plan they develop is something that is made right here in the Yukon, that has Yukon solutions and will work for Yukoners regardless of where they live, whether it be in Whitehorse or outside of Whitehorse in rural communities.

We're very much committed to seeing that action plan delivered to us by the summer of 2012. The Minister of Community Services and I met yesterday with the chair, and he assured us that those timelines are something that he can deliver on.

Ms. Moorcroft: There may have been some good work done, but unfortunately, that good work did not prevent the deaths of five Yukon people from carbon monoxide poisoning just a few short months ago. Their deaths must be a wake-up call for action to prevent further injury and death. Today's announcement smacks of an ad hoc response to serious matters.

When will we see results? When will this government deal with the myriad issues of oil furnace safety, installation, certification, training, inspections, landlord-tenant responsibilities, in a systematic and comprehensive manner?

Hon. Mr. Kent: I think there are three issues at play here when speaking to this. Of course, the coroner has an ongoing investigation, and we want to make sure that we respect the independence and the integrity of that investigation with regard to the unfortunate circumstances that happened on Centennial Street. The *Landlord and Tenant Act* — I know that the Department of Community Services is working on having that legislation before the House, perhaps as early as this fall, and the working group is the final piece to this puzzle. As I have mentioned, we have asked the chair of the working group, who is a journeyman oil burner mechanic, was also the chair of the advisory committee and is a very well-respected senior official within the Yukon government, to deliver an action plan to us by summer of 2012. He has indicated to me and the Minister of Community Services yesterday in a meeting that those timelines were obtainable, and we expect to see that report delivered to us this summer.

Question re: Oil-fired appliance safety

Ms. Moorcroft: The NDP Official Opposition has called upon this government to use its powers and launch a public inquiry into the deaths of five Yukon residents that have been confirmed were from carbon monoxide poisoning. We

believe that these deaths require an active response from the government — a response that is not piecemeal, but will get to the many elements that contributed to this tragedy.

My question is for the Premier. Will he use his powers and launch a public inquiry?

Hon. Ms. Taylor: First of all, I want to say that the tragic death of these individuals is a significant loss for our community. It has affected each and every Yukoner in some way. As the minister responsible for the Yukon Housing Corporation has already articulated, we are awaiting the coroner's report on this particular tragedy. As the Premier has already articulated on a number of occasions as well, the Yukon government will be looking very closely at the outcome and the findings of this particular investigation. That work is currently underway. When we receive the report, and when we have had an opportunity to review the findings, we will be in a much better position to fully assess the circumstances that led to the incident and determine what specific actions may be required in the various parts of the government.

We are very much committed to finding ways to improve public safety as related to this incident.

Ms. Moorcroft: As the minister said, everyone in the Yukon was saddened and shocked by these deaths, and it's also had repercussions around the country. We understand the coroner is still weighing whether to stage an inquest, and we have every confidence in the coroner's abilities in this regard. A coroner's inquest is not the same as a public inquiry. A coroner's inquest will only answer the question of how the people died, from the narrow perspective that's allowed the chief coroner under the *Coroners Act*.

We believe a public inquiry would get to the bottom of how this tragedy unfolded. A public inquiry would give Yukoners the opportunity to review the gaps in our inspection regime, in our training standards, in landlord and tenant legislation, and provide an impetus for change.

Again, will the Premier confirm that he has not closed the door on launching a public inquiry?

Hon. Ms. Taylor: We understand the very importance of this issue to all Yukoners, but it's very essential that we let the appropriate authority — that is the coroner in this particular case — conduct and conclude her work out of the respect for the objectivity of that work.

Now, as has already been referenced by the Premier on a number of occasions, there is a review currently underway of the *Landlord and Tenant Act*, which this will also fold into in the next number of months, as we look forward to tabling a modernized *Landlord and Tenant Act*.

Likewise, there is also the ongoing work of a working group. That is, in fact, why we have tasked our officials from Yukon Housing Corporation and Community Services to form a working group to look at ways to come with a made-in-the-Yukon solution that will enhance the safe operation and installation of oil-fired appliances and tanks. So there is a tremendous amount of work going on as we speak. Again, we look forward to the outcome of the coroner's investigation. That is one part of this particular incident.

Ms. Moorcroft: The fact is that perhaps a coroner's investigation would not be required if the previous Yukon Party government had acted sooner on the housing safety file. It did not act on the problems that were documented in several reports, dating back to 2007 — reports that acknowledge that change needed to be made and action taken before there were any unfortunate incidents. There is an opportunity here for this government to demonstrate leadership and be bold on an important issue. The minister talks about a made-in-Yukon solution. There are solutions across Canada. Other jurisdictions have mandatory certification standards for oil-burner mechanics.

Other jurisdictions have standards for installations and maintenance. We need to look at the building safety inspection regime and the issue of industry self-regulation. Will the Premier demonstrate leadership by considering launching a public inquiry so that we can learn as much as we can from this tragedy and take the steps to improve public safety so it's never repeated?

Speaker: Order please. The member's time has elapsed.

Hon. Ms. Taylor: Since the reports first came to fruition, I want to just reiterate that there have been a number of actions undertaken by the respective departments involved — Community Services, the Department of Education, Yukon College, and Yukon Housing Corporation to address many of the recommendations that were included in those reports. This includes training initiatives for oil-burner mechanics, public education on fire and safety prevention, which includes carbon monoxide safety. It also includes implementation of new regulations under the *Building Standards Act*, requiring permits and inspections for all new installations, as well as modifications to existing systems.

A number of other steps need to be taken as well and that is why, in fact, the minister responsible for the Housing Corporation and I have tasked our respective officials to come up with the working group comprised of government and industry representatives to oversee further actions when it comes to furthering the safety of the operation and installation of oil-fired appliances and tanks.

Speaker: The time for Question Period has now elapsed.

INTRODUCTION OF VISITORS

Hon. Mr. Pasloski: Mr. Speaker, I would like to announce that we have a visitor in the House who certainly is no stranger to this Chamber, having served five terms in the Yukon Legislative Assembly. I would encourage all my colleagues to join in welcoming Senator Dan Lang to the Chamber.

Applause

Hon. Mr. Dixon: Mr. Speaker, I forgot to mention earlier two other folks from Air North, who will be joining us in the gallery right now: Nola Munro, manager of flight attendants and Brooke Romanuik in-flight supervisor for Air North.

As well, I would like to introduce Hugh Kitchen, who is the president of Alcan Air and has joined us in the gallery as well.

Applause

Hon. Mr. Cathers: Mr. Speaker, I would like to ask all members to join me in welcoming the former Speaker of the Legislative Assembly and former MLA for Riverdale North, Mr. Ted Staffen, who's in the gallery today.

Applause

Speaker: We will now proceed with Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT PRIVATE MEMBERS' BUSINESS

GOVERNMENT MOTIONS

Motion No. 84

Clerk: Motion No. 84, standing in the name of Ms. McLeod.

Speaker: It is moved by the Member for Watson Lake THAT this House urges Air Canada and WestJet, in pursuing their competitive corporate objectives in Yukon, to ensure that the ongoing viability of Air North, Yukon's airline, is not compromised and to negotiate interline and code share agreements with Air North.

Ms. McLeod: I am pleased to rise to speak to this motion as the MLA for the Watson Lake riding. Air service is something that most large communities take for granted, but imagine if your only choice for air service was a five-hour drive and likely an overnight stay away from your home, twice. Imagine what would happen to the economy of Whitehorse or Dawson City if you lost your scheduled air service. In Watson Lake, we have been without scheduled air service for years. When I first arrived in Watson Lake, Canadian Airlines flew 737 aircraft into Watson Lake daily. At that time, of course, Cassiar and Tungsten were both in full operation. Life was good and Watson Lake was thriving.

Life was good and Watson Lake was thriving. Well, Cassiar closed, Tungsten closed, and gone was Canadian Airlines. There were a few attempts at scheduled flights after that, but the remaining travelling public couldn't support an airline. Fast-forward — Tungsten is back in operation, Wolverine mine is in operation, the Selwyn project is a feasibility and the residents of the Watson Lake area want scheduled service back. They want to see their economy diversify and grow.

Air service will give us freight options. Air service will give our outfitters easier handling of their clients. Air service will allow the Yukon government to include Watson Lake as a destination in their tourism promotions. Air service will help business to operate with efficiency and, of course, people considering relocating to Watson Lake will be pleased that there are more options to get to Whitehorse to connect with flights going south.

Air North was working on a business case to deliver that air service between Watson Lake and Whitehorse. They were the only airline looking to deliver that service, as far as I know. There were discussions going on about having the mines transport their people with Air North rather than using charter air service out of Whitehorse and Vancouver, and it could have worked. A Yukon community is already being affected by this market war, and it hasn't yet started.

Now we're seeing a third airline moving into this small northern market and, whether it's a seasonal situation or year-round, the result could be the same. Yukon's airline, Air North, could end up as collateral damage. Everyone knows that the upcoming price war on seat sales will affect Air North to the largest degree. The motion to encourage the cooperation of the airlines to ensure that the ongoing viability of Air North is not compromised, and to negotiate interline and/or code share agreements with Air North, is with the best interest of Yukoners in mind.

The Minister for Economic Development has spoken numerous times about his department's offer to assist with the negotiations between Air North and WestJet and/or Air Canada. Some time ago there was a market war between Air Canada and Canadian Airlines — where's Canadian Airlines now? If Yukoners want to see the survival and possible service expansion of Air North, they will have to support it with ticket sales. I encourage this entire House to rise in support of Motion No. 84.

Ms. Stick: I stand here on behalf of the NDP Official Opposition to state our support for this motion. All of the members here recognize the exemplary service that this business provides to all Yukoners, whether flying Outside to larger centres or travelling between our communities. It has always been my personal experience that Air North staff go well above and beyond in providing compassionate and caring service to everyone. More than once, over the time of my husband's illness when he was in hospital in Vancouver, Air North, and in particular, Sharon Miller, helped in making quick arrangements that made it possible for family to travel to Vancouver and, in the end, return together.

Regardless of options to me personally, I will always choose Air North. I also have family in Ontario whom I enjoy visiting. Being able to make those quick connections in Vancouver or Calgary without having to retrieve luggage or go through security again would be preferable. My real preference would be a flight from Vancouver to Toronto, if that could be arranged.

An agreement with WestJet, Air Canada or other carriers would only enhance the Air North services. Air North is a good corporate citizen. It employs 200 full-time staff. Most are Yukoners, but others are employed in B.C. and Alberta. Air North may hire great staff but great staff reflect great management. Air North should be recognized for the support and contributions they make to our organizations and to our communities.

All of us have had the privilege of buying or perhaps selling tickets for raffles, where first prize, more often than not, is a round-trip ticket. Air North is a huge supporter of Dawson

City Music Festival and transports musicians attending that festival. I've been at the airport in Dawson City to pick up those musicians when they arrive. It's great to see their faces and the wonder of arriving in our beautiful north. Air North sets the standard for wonderful service, contribution to community and makes a huge contribution to the Yukon's economy — and I would be remiss not to mention exceptional cheese-cake.

The NDP Official Opposition caucus will be voting in favour of this motion. It was a Yukon NDP government that introduced the changes to tax credit rules through small business investment tax credit that helped Yukon businesses, like Air North, to thrive and prosper. The NDP will always stand on encouraging local business to develop and thrive. We would also encourage this government to review its policies in terms of government travel and non-emergency medical travel. The Yukon government spends lots of money on these areas, and there may be ways the government can provide more business to Air North. I don't know how possible this is, given limits to preferring local business enshrined in trade agreements, like the internal trade agreement, but I encourage this government to consider this.

Still, we support this motion. We encourage all to support it and all listening to fly Air North, Yukon's airline. Thank you, Mr. Speaker.

Hon. Mr. Dixon: Thanks to the Member for Watson Lake for bringing forth the motion and for the support from the NDP caucus as well. I'd like to briefly, if I could, provide a little bit of context to this motion by way of presenting some of the background and context of the entrance of WestJet to our market here in Yukon, as well as a little bit of the history of Air North, in terms of their role in our community and our economy.

I've had a lot of questions about this motion, as well as the overarching situation that's going on from friends, constituents and, of course, folks in the business community. Most of the questions tend to centre around this concept of competition. I do want to reiterate that, of course, competition is a normal function of a healthy economy. It's important that competition does exist in economies, and indeed it was competition brought forth by Air North in 2002 — in the market with Air Canada — that, in fact, brought down prices to where they are today, which are at a much lower level than we would recall from 10 years ago.

As well, that sort of competition does bring forth improved service and improved efficiency. I think it is indeed competition that has brought WestJet to Yukon's market this year — not necessarily competition with Air North, but competition with their national competitor, Air Canada. Air Canada has been, for better or for worse, recognized by the federal government as an "essential service," part of that being because they reach out to a number of regions in Canada that no other airlines do. So, indeed, I think that WestJet, in pursuing their competitiveness with Air Canada, is beginning to reach out to other markets as well, including Yukon. On the national scale, I think WestJet is a pretty good model of a functioning airline. It

has been able to provide real, sustained competition to Air Canada on the national level. It has driven down prices and increased services across the country. I don't think it is that pursuit of profit, or the pursuit of profit that exists on the Yukon routes between Whitehorse and gateway cities that brought WestJet north.

I think there are basically two reasons why WestJet may be entering the Yukon market, which is already a very small market. One of them is not, of course, profit, as I said. Yukon currently has adequate seats for the market. We are told, roughly, we're operating at about 70 percent capacity, on average, on a yearly basis of seats available. So the profit that is available between Whitehorse and gateway cities probably isn't the driving factor for WestJet coming north. I think the two reasons for them coming north are, first of all, to reach out as a more truly national airline — to be recognized in that sense on the same plane as Air Canada. That was an accidental pun there.

The second reason, of course, is to increase their routes that feed their other, more profitable, lines in the south. I think for a lot of these airlines — the two major, large airlines at least — the major profit routes for them exist in southern Canada between Vancouver and Toronto, or Vancouver and Montreal, for example. So the other more regional routes, like in Yukon, will provide an opportunity to feed those more profitable routes. The access to market share, in that sense, is what's driving WestJet — in my opinion at least. So, the question of course is what does this mean, then, for Yukon and, of course, the antecedent question, which is, what does this mean for Air North?

First of all, I think there are sort of short- and long-term effects of this. In the short term, I know a number of my friends, constituents and others have raised to me that they think it's exciting that we have low airfare between Whitehorse and Vancouver for a brief time this summer. That, of course, provides an opportunity for friends and relatives to come to Yukon to visit, for folks to come from the south at a relatively low cost and come for the tourist activities that the Yukon has to offer or any other business activities that contribute to our local economy. That's a positive thing. But in the greater context of the long-term health of Yukon's economy, I think there are some repercussions that could come with this.

What we're seeing, of course, is entry-level pricing schemes from WestJet, which can be described as hyper-competitive, and of course at those sorts of entry-level prices, it's arguable that no one really is making a profit off those routes. So, indeed, when companies are forced to operate at loss in order to be competitive, it's not a good situation, especially for a smaller airline like Air North.

I think there are some long-term repercussions at hand here that play into this situation. In order to understand this a little bit better, we need to understand the role that Air North plays in our local economy and in our communities. The stats are well established; they've been discussed in this House before and are available on the public record now. I think a number of the representatives from Air North have done a good job in getting their message out in terms of their footprint in the local economy, like the significant number of jobs — I believe it's

over 200 jobs, both indirect and direct, as well as a number of jobs in their Vancouver office, which I understand is north of 60 positions there.

There are obviously those jobs, as well as the expenditures. Our calculations in the Department of Economic Development put the imprint of Air North around 1.5 percent of GDP. That's a very significant number for a single company. The majority of that expenditure goes to the local suppliers for the most part, which means it stays in and circulates through the local economy. Those are very positive attributes for local folk who work at Air North, as well as local suppliers who fly their goods with Air North.

What I think was probably the most impactful aspect of Air North's operations in Whitehorse is the fact that they've decided to make Whitehorse a hub of air transportation. It's exceptionally important because I don't think any other major airline would consider doing that. That local hub in Whitehorse provides year-round service and is very important to a number of our rural communities that are served by Air North, including Old Crow and Dawson City. I'm sure the members from those ridings will be supportive here.

The decision to locate the transportation hub in Whitehorse means that the infrastructure that comes with an airline is localized here in Whitehorse. A number of my colleagues from Cabinet and from our caucus and I had a chance to visit the Air North facilities, I believe a month ago, and were very impressed with the amount of infrastructure that exists on the ground as a result of having Air North decide to have a hub in Whitehorse. It means that all those jobs I referenced earlier get to rest here in Yukon. Those folk who work with Air North own houses in Yukon, they are friends and neighbours and, as a result of having local infrastructure here in Whitehorse, the case can be made that's probably one of the most significant contributions to our economy.

So, the question then, of course, is what does the effect of WestJet entering the market have on Air North? As I said, it requires a relatively small airline in the context of the international scene to operate at what would seem to be a loss. The threat is that it can't be sustained for a long time. Larger airlines like Air Canada or WestJet can afford to do that and have a greater market capacity to do that for a more sustained period of time, whereas a smaller airline like Air North would have to consider other options. The threat then is that Air North would possibly be forced to either reduce their services in some way — meaning cutting flights, I guess — or, of course, lay off some employees through job cuts and other sort of measures like that. That, of course, has a net negative impact on our economy.

The context of this motion, of course, speaks to encouraging both mainline air carriers to consider working with the local airline here to develop some sort of strategic partnership, which would come in the form of either an interline agreement or a code share agreement. The reason for that is that it would allow Air North — or quite frankly, any local airline — to maintain that local transportation hub in Whitehorse, which is so important to our economy as well as our community.

I think that the overarching corporate or business objective that a company like WestJet would be seeking to fulfill by coming to Whitehorse, as I mentioned before, could be achieved through such a partnership. They could gain access to Yukon's market vis-à-vis Air North, and gain that sort of feeder, if you will, to their more profitable southern routes. As well, it would allow WestJet, in the instance of WestJet at least, to really demonstrate a progressive and proactive approach to dealing with air travel in the north. Really, in my opinion, it would speak very highly to their ability to be recognized at the national level as a truly national airline.

So, in the sense of this motion, we of course want to convey our support and encouragement to those national airlines to consider the fact that having a local transportation hub in Whitehorse is so important to Yukon's community and economy and that the business objectives fulfilled by coming to Whitehorse could be achieved through an agreement with Air North.

So of course this motion is intended to be — we as elected officials are speaking on behalf of our communities and our community of the Yukon as a whole. So we want to speak, hopefully, with one voice and say to those larger mainline air carriers that both your corporate and business objectives can be filled by a strategic partnership with Air North, as well as the importance of our local airline to Yukon would be sustained.

So I'll leave that there, Mr. Speaker. I know a number of other members of this House want to speak to this motion. So I'll be brief and end with that. I look forward to voting in favour of this motion and I look forward to the support of the other two parties in passing this motion unanimously. With that, I'll turn the floor over. Thank you very much.

Mr. Elias: It's a pleasure to rise in the Assembly today to recognize and support the motion from the Member for Watson Lake. We, too, in the Liberal caucus wholeheartedly endorse this motion and we will be voting in favour of it.

There is some relevant information to put on the floor of the House today in recognition of the motion to develop a strategic partnership that, if realized, is going to bode well, not only for the company, but for Yukoners in general. I think it is very important to take this opportunity to first and foremost recognize the entire company and all its staff for the profound service and caring it provides to the citizens of our territory over the decades — so, thank you.

I think that, for the most part, we want to work toward a win-win situation here in our territory. I think that Air Canada and WestJet will come to the realization very soon that Yukoners are really supportive of their airline — Yukon's airline, Air North. I will reiterate something I said in the Legislature the other day: I believe that the expectations are to encourage both WestJet and Air Canada to expand their presence in the north through interline and/or code share agreements with the northern carrier, so that northern jobs and services to remote northern communities are not threatened, like Dawson and Old Crow.

Air North, Yukon's airline, is one of the largest private sector employees in the Yukon, with more than 200 Yukon

employees and an annual Yukon payroll of more than \$9 million.

Air North's employees account for more than 1.5 percent of the Yukon private sector workforce and more than 1.5 percent of Yukon's gross domestic product. In addition, almost one in 15 Yukon residents, including the Vuntut Gwitchin First Nation, has an equity stake in the airline. It's also important to note and recognize that the Yukon government should immediately recognize the importance of the damage that could occur when — basically I've heard this on the street — the big boys come to play in our territory. So that's important to recognize.

From an Old Crow standpoint, I believe it was when we decided to become a partner in Air North; it was probably about three or four years after we signed the land claims agreement. That agreement and the self-government agreement were for us to work toward self-sufficiency. One of the very first opportunities that we grasped as a community, as a strategic investment, was a partnership with Air North. It provided an opportunity for our community to be creative and show self-sufficiency, especially to future generations, when they looked at some of the first major decisions we made as a self-governing community. So it's a very proud history that we have in Old Crow.

Ever since I was a very young boy living in Old Crow, we used to always basically run down to the airport every time a plane landed and see who came and just jump on the airplane and help unload and shake people's hands. It was kind of a communal effort. That kind of sentiment still exists in our community of Old Crow because Air North is all we know and it's all we have right now. Over the years, as we have so proudly seen during the Olympic torch relay when the jet landed in Old Crow — those kinds of things and memories are fond for our community of Old Crow. I've also got so many stories that I could tell over the years, especially after the Native Hockey Tournament flight back to Old Crow — I don't know if it would be within the decorum of the House, but anyways. I'll just tell a couple of stories here. There are these comment cards in the back of the seats on the Air North flights to Old Crow, and once and awhile, I direct them to certain staff.

One of them is in the gallery today — Ms. Sharon Mille — , and I think it has been over 15 years now that my comment has been: can we please leave YXY at noon to YOC? I has been "no" for the last 15 years, too.

Anyway, I don't think there is an individual in the territory who hasn't been touched by Air North over the years. Every single important function Air North has sponsored, whether it be round-trip tickets or some type of gift certificate for the people who attend functions — not only in our territory, but in Alberta, B.C., Northwest Territories, and even in Alaska. It brings the north together. So when we have motions like this on the floor of the House — again, thank you very much to the Member for Watson Lake for bringing this forward. It is good for us to step back and take a realization about what it means to be a Yukoner.

I think it's important to reiterate on the floor of the House what my honourable colleague from the Klondike said the

other day and that is: “Our caucus believes that healthy competition is good for the territory overall, but we don’t want to see a battle between two large airlines — WestJet and Air Canada — threaten the existence of a smaller local airline like Air North.

“Our caucus recognizes the amazing contributions Air North continuously makes to the Yukon. It provides top-notch service, employs hundreds of Yukoners and consistently supports community activities and organizations.”

I think having this debate today is undoubtedly going to affect the outcome of what we hope is a strategic partnership that’s to be developed to ensure the longevity of Air North in our territory.

I’m going to quote from the section of an article that was written by the president of Air North, Mr. Joe Sparling, and it’s with regard to the federal stakeholders, I thought was important to put into the debate today. It said: “It’s pretty clear that the north could stand to lose a lot if northern air carriers become collateral damage in a market share war between the mainline carriers and there are some federal stakeholders who should have an interest in helping to avoid this possibility.

“Three of the key federal stakeholders with an interest in the north are the Department of Aboriginal Affairs and Northern Development, the Canadian Northern Economic Development Agency and Transport Canada.

Aboriginal Affairs and Northern Development Canada is a federal department whose mandate is to ‘support aboriginal people and northerners in their efforts to: (1) improve social well-being and economic prosperity; (2) develop healthier, more sustainable communities; and (3) participate more fully in Canada’s political, social and economic development to the benefit of all Canadians.’

“CanNor’s objective is to ‘help provide the foundation of a prosperous economic future for those who live, work and support their families in the north.’

“Given the stated mandate of Aboriginal Affairs and Northern Development Canada and the stated objective of CanNor, both agencies should have a keen interest in recognizing and supporting the efforts of northern air carriers to provide northern air transportation locally.”

Again, there are roles and responsibilities outside our territory that the president feels are valid to this debate and that’s why I brought that to the floor of the House today. I think I’ll end my submission in support of the motion by saying that, again, as Sharon Miller can attest to, I have never missed my plane or been a no-show in my entire life — and I’m saying this laughing and with a smile on my face for *Hansard*. I commend this motion to the House.

I hope to see unanimous consent and to show our unanimous support for an airline that has been nothing but a good corporate citizen and has cared about each and every one of its Yukon citizens and wholeheartedly reached all of its corporate objectives in making this territory a better place.

Applause

INTRODUCTION OF VISITORS

Hon. Mr. Dixon: I would like to ask the members of the House to join me in welcoming Joe Sparling, the president and CEO of Air North, as well as Bill Lamerton, the vice-president of commercial development. We mentioned their names earlier, but we’d like to welcome them now to the House.

Applause

Hon. Mr. Nixon: I rise today in support of this motion. I want to acknowledge the key role that Air North, Yukon’s airline, contributes to the Yukon’s social and economic development. I want to reference the comments my colleague, the Minister of Economic Development made, that this government recognizes the importance that Air North provides to our communities and our local economy, as well as the importance of maintaining an air transportation hub right here in the Yukon. It is exceptionally important to Yukon’s economy that our local airline and the infrastructure it provides not get caught in the crossfire between these two major airlines. We have met with Air North officials, and they have indicated that the most important challenge they face is developing a strategic partnership as the member opposite mentioned, with either of the two mainline air carriers to allow easier transfers of baggage and passengers at gateway cities.

We have offered Air North any assistance that we can provide to help facilitate such an agreement. It is this government’s hope that the Yukon Legislative Assembly will convey Yukoners’ support of our local airline and encourage the two major Canadian airlines to take a proactive approach to doing their business in the north.

Uniquely among its competitors, Air Canada and WestJet, Air North — Yukon’s airline — has made Whitehorse the hub of its business operations. Air North has made significant investments in both real property construction and ongoing operations, including its head office and administration, flight crews, call centre, maintenance shops, kitchen — all together they employ over 200 Yukoners.

Let me just mention their fleet for one minute, as I want to note the commitment they have made to Yukon with their equipment. Based on information from their website, Air North has a Boeing 737-500 which seats 122 passengers. They have a Boeing 737-400 which seats 153. They have three Boeing 737-200s which seat 120 passengers each.

They have four Hawkers that they can configure depending on how many passengers and how much cargo they are flying. Air North, Yukon’s airline, has a sizable fleet with which they serve the north. The economic impact of Air North’s participation in Yukon’s economy is approximately 1.5 percent of the total Yukon gross domestic product and, as such, a key contributor to Yukon’s economy. Air North’s employees are integral members of the Yukon business and social community.

Air North is a great contributor to our community. During the recent Yukon Sourdough Rendezvous, Air North, as a corporation, and the individual employees who so richly gave their time, were key contributors to the success of that celebration.

The economic contribution to Yukon's gross domestic product of other airlines is modest in comparison. Air Canada is approximately 200 times and WestJet is approximately 40 times the size of Air North. They service many other routes that may be used to subsidize their proposed pricing practices for the northern Yukon route. Neither Air Canada nor WestJet has made significant infrastructure investments in this territory.

They have to carry the costs of both the operation and maintenance and pay off the capital investments out of this route. I'm so proud of Air North for their ongoing commitment to Yukon.

I'm deeply concerned that the proposed expansion of capacity by national carriers and servicing Yukon and in the increase in short term capacity at unsustainably low rates may harm Air North's ongoing viability. As others have already indicated, there's a real concern that regional carriers such as Air North will be vulnerable in a protracted altercation between WestJet and Air Canada.

The Whitehorse-to-southern destination routes represent approximately one-half to one percent of the air traffic in Canada. It's not a significant component of either Air Canada or WestJet's business model. It is, however, critical to Air North's success. Air North's entry and ongoing participation in the marketplace has contributed significantly to lower prices for consumers. I have constituents who have shared with me just how much they used to pay for a flight out to Vancouver, Calgary or Edmonton years ago. Before Air North came, going south was a much more expensive proposition.

Some of my constituents shared with me how much they appreciate the kindness and friendliness of the Air North staff. People have spoken to me about how they needed to go south due to family emergencies like a medical emergency or the death of a loved one. The Air North team did their best to get them on the first flight available and treated them like gold. Mr. Speaker, I have heard lots of stories from Yukoners about the great service they receive from Air North. They truly are "Yukon's airline."

Our government wants to ensure that affordable domestic and international air access is fulfilled in the long term. We believe Air North and WestJet should pursue their corporate objectives in such a manner that the long-term viability of Air North, Yukon's airline, is not compromised.

Competition is healthy in any business and it's no different in the airline business. We believe it brings out the best in people and businesses. As it stands, I think Air North does a great job of servicing this market. I would encourage both Air Canada and WestJet to engage Air North, Yukon's airline, by negotiating interline and code share agreements with Air North. Additionally, we encourage WestJet and Air Canada, as part of their competitive approach to this market, to consider other options of achieving their corporate goals.

My colleagues, the Premier, and the Minister of Economic Development have also made this point but I want to emphasize that this is not about competition. I am reminded of the words of the Premier who stated in this House that this House recognizes the tremendous contribution that Air North makes to all of the communities in Yukon. WestJet's announcement

might really be a part of a larger strategy in terms of their competition with Air Canada in trying to establish more feeder markets and increase their market share with the airline industry here in Canada. Our concern is that Air North, Yukon's airline, can be caught in the crossfire of this really hyper-competitive battle that is being waged by these two major airlines here in Canada. The Government of Yukon is responding to Air North's request for assistance by helping to facilitate the development of a strategic partnership with one or both of these airlines. We, as a government, are offering our support and our presence and we are encouraging negotiations for either interline or code share agreements, as have been discussed. It would also benefit the larger air carriers by allowing them to access Air North's market share for connecting flights beyond our gateway cities. Ultimately, Canada's northern economy and northern air travel would be better served by fostering and facilitating local airline infrastructure and strategic alliances with larger trans-Canada service providers like Air North and WestJet.

The debate today is about urging Air Canada and WestJet in pursuing their competitive corporate objectives right here in Yukon to ensure that the ongoing viability of Air North is not compromised and to negotiate interline and code share agreements with Air North.

At the end of the day, one of the unique aspects of this motion is that it is encouraging government to support industry, not through grant subsidies or handouts, but simply by offering a supportive presence and facilitating negotiations between commercial entities.

Hon. Mr. Istchenko: I rise today with my fellow colleagues and fellow House members, to throw support behind Yukon's airline, Air North. Besides the good service of Air North, I didn't know much about Air North. I was lucky enough to get a tour the other day from Joe and the staff and was warmed by his warm cookies, which gets me back to the great service again.

It was a really interesting tour. I learned a lot about Air North. My portfolio as Minister of Highways and Public Works — one of them is airports and whether it's the maintenance of the Old Crow Airport or upgrades to the Dawson airport. In process right now, Highways and Public Works is working with Transport Canada and Air North to allow scheduled air service to occur in the Mayo aerodrome.

There are just bits of an issue on aerodrome authorization permits, which permits an air carrier to establish a scheduled air service without requiring an aerodrome to be certified as an airport. Our department is patiently waiting for Transport Canada to conduct a site inspection of the Mayo aerodrome with staff and with Air North to ensure an appropriate level of safety is there so they can do this.

I learned a lot from my tour. I didn't realize the number of employees they had, but Air North's aircraft are maintained locally. So every time he adds a new aircraft, that's another 25 employees that he puts in, and that goes into the economy. So, this airline and other airlines have been lobbying the department for the past couple years to provide water on a priority

basis to facilitate their plans for additional hangar development. It's pretty tough to develop anything up at the airport if you don't have water and sewer. The adequate fire flow poses serious concerns, including inability to develop new infrastructure permits and stuff that goes along with that.

So it was good to see that in January 2000 the Yukon government and the City of Whitehorse approved the *20:20 Vision* plan, which is a 20-year development plan for the Whitehorse airport. One of the long-term goals was to extend water and sewer services to the south commercial area, which services approximately 30 tenants. Extending this water and sewer service will also provide a secure water supply to the Wildland Fire Management air tanker base and will address Transport Canada's concerns with the present above-ground piped-in services to the tanker base. I'm happy to say that Highways and Public Works plans to complete this project over the next two years. It's a \$7-million project and we're going to be commencing right away.

On a personal note, I can remember — as the Member for Vuntut Gwitchin mentioned — I had to be back to work on a Monday and I landed on a Sunday with another airline. There was a skiff of snow; I don't think you could have counted the snowflakes, but they couldn't fly. I had to be back to work on Monday; that's why I flew with that airline. I wasn't very happy with the lineups in the Vancouver airport. I thought, what do I do about this?

I remembered someone I grew up with in my community — her name has been mentioned a few times today — Sharon Miller. I gave her a call and said I need to fly home. She said everybody came down here on Monday to see the Rolling Stones concert. She said there will be some people partying, so just show up in the morning and you'll get on.

I showed up in the morning; I got on, my luggage got on and I got home and was at work by — I don't know what time. So, Mr. Speaker, I do rise today with my fellow members of this House to support Air North wholeheartedly. The government definitely looks forward to working with Air North in these endeavours. Like my fellow colleagues said, my support is with you, Air North. Thank you very much.

Applause

Hon. Mr. Kent: I want to be brief in my comments, as I know there are a couple of other members who wish to speak.

Of course Air North, since they started jet service in 2002 to the Yukon from the gateway cities of Calgary, Edmonton and Vancouver, have been tremendous supporters of not only the tourism industry — I know that Deb Ryan has been very, very much involved with the Yukon Convention Bureau over the years, but also the mining and resource industry. I spoke with a gentleman from a junior mining company that is active in the Yukon. I know that their expenditures with Air North are anticipated to be about \$10,000 a month for the coming year. I know that they certainly appreciate the service.

Their new COO was in town as well. He has come to the Yukon from Turkey and mentioned that he has flown with a number of carriers all over the world and certainly appreciated

the service and the attention that he got flying up here to the Yukon for the first time with Air North on Monday.

Of course, Air North supports the mining industry with charters as well. I believe Alexco uses Air North to charter into the Mayo airport to do crew changes and we certainly look to expand that business and build on what the Minister of Economic Development said was the Whitehorse hub.

Medical travel — I know a number of Yukoners who have to travel Outside for treatment use Air North, and it's their preference to use Air North because of the comforts and the convenience that the staff and the planes offer to them.

I would like to speak to the contributions Air North has made to local charities here in the Yukon. All members know of my involvement with the Yukon Hospital Foundation and I know the Member for Riverdale South mentioned that you can't buy a raffle ticket in town that doesn't have a return trip for two from Air North provided on it, but even a greater contribution than that, which I witnessed first-hand, is their contribution to the Yukon Hospital Foundation to purchase medical equipment for Whitehorse General Hospital.

Since the Northwestel Festival of Trees started in 2003, Air North has been there. They've been there sponsoring a tree every year and I know that routinely their trees go at raffle for well over \$10,000 and well over 100 percent of their value. They've been a long-time sponsor of the poinsettia raffle at the Northwestel Festival of Trees. No matter what takes place at the Yukon Hospital Foundation — be it the pro-am golf tournament that was new — Air North was there. We went up — myself and the head pro from Mountainview Golf Course at the time — went up and spoke to Deb and Josh in the boardroom there and they were the first people on board with that pro-am, providing support, helping out with flights for the pros to come in from all over western Canada, and of course, the 'Epicurious' event that brings chefs together. Air North participated — their head chef, Michael Bock, was always a strong contributor. It didn't really matter what the Hospital Foundation was doing. Air North was there.

Although I don't have the exact numbers, I am sure their commitment to the Hospital Foundation has led to fundraising, probably \$150,000 to \$200,000, to buy medical equipment for Whitehorse General Hospital and contribute to the care and the health care of Yukoners.

So they are such a strong corporate citizen and always have been, whether it's minor hockey or the Hospital Foundation and everything in between. I would just like to commend Joe, the shareholders and everybody associated with Air North for the strong commitment to Yukon charities that they've displayed over the years. I certainly witnessed it first-hand with my involvement at the Yukon Hospital Foundation and I know they will continue to be a strong supporter of that organization.

I would just like to thank them on behalf of all the charities that you support and all the great work that you've done over the years for tourism and business and making sure that Yukoners can get Outside in comfort and convenience for their medical travel. So a big round of applause for Air North as they commit to those types of things as well.

Applause

Hon. Ms. Taylor: I don't want to go on too much at great length, because a lot of great comments have been put forth by all members of the Legislature, but I do want to say thank you to the Member for Watson Lake for bringing forth this very timely and very important motion, which speaks to the importance of Air North, Yukon's regional airline, and the many contributions it has made to Yukon's social and economic well-being.

When I was Minister of Tourism and Culture for some nine years in the past, the one thing I got is the very importance of air access and connectivity and the importance of sustaining our local market. Absolutely — bar none — air access is critical to the continued growth of our territory, both on the economic side and on the social side, as I mentioned.

Likewise, connectivity — connecting to those critical markets is of the utmost importance. Over the years, Air North has shown its diligence, its ability to be open and welcome to changes and has really worked with all of our communities, as well as with the Outside markets, to facilitate enhanced air access in some of our key gateway cities: Edmonton, Calgary, Vancouver, to say the least.

As a result, it has changed the way that we travel and the way we deliver travel — affordable, accessible air travel. You know, it was probably about 15 years ago — I don't think that folks from Vancouver or Edmonton or Calgary would have thought that to come to the Yukon for a weekend or for a three- or four-day stay would be that feasible, and now it is marketed heavily. Thanks to the contributions of Air North and Deb Ryan and her crew, working through the Department of Tourism and Culture and many other partners, for facilitating that attractive venue and opening up our markets. For that, I just want to say thank you. You know, likewise, there have been lots of discussions when we look at our international carriers of Condor — and Edelweiss that flew here a year ago. Air North was always looking at opportunities to facilitate air access in between those services, also connecting with those international carriers, to identify those markets. So it's a win-win situation for Yukoners; it's a win-win situation for those coming to the Yukon to visit.

So I just want to say that Air North has been extremely responsive to not only our industry, whether it's mining, tourism or otherwise — very responsive to our communities, working with the Village of Mayo, working with the Town of Watson Lake and many others to enhance that air access — and very responsive to our families. I have to say that one of my horrific times — this doesn't sound correct — all my experiences with Air North were great, with the one exception of — it was just after Easter and I had my baby at this time and Will was approximately — I think one year of age, if that. It was my first trip with him on the plane by myself and I don't know what happened, but obviously he was feeling fairly uncomfortable and that child of mine cried for two and a half hours. It was a full plane, to say the least. But you know what? Thanks to those stewards on board, who relieved the stress, relieved my anxiety, and I was able to carry that child up and down the aisles, which was great. It provided me relief and respite.

It was just one of countless examples that we have to share with respect to the hospitality of Air North. One quick story I have to also tell: I had the privilege of travelling to Dawson City a few years back with the president of Holland America at the time to facilitate ongoing discussions with respect to the Tombstone Park and other issues of importance to the market. When we got on board Air North that time, I remember the chief pilot was Joe Sparling. I remember pointing him out to the individual sitting with me at that time. I was speaking very highly of Mr. Sparling.

Anyhow, for some reason we weren't able to fly directly into Dawson; we had to make a landing in Mayo due to the weather, I believe, which was just an interim step. So we flew into Mayo, and I remember the president, looking out over on the wing and saying, "Isn't that the chief pilot who's also fueling up the plane?" I said, "Yes, that's correct." I said, "By the way, he's also the president and CEO of the company, and that's how it's done in the Yukon."

It's just an example of just how incredibly this company has been built over the years and the tremendous support shown by the community, the tremendous support shown continually by all of its respective employees and the heart that it brings to this company and to the very success of our territory. Without Air North, we wouldn't be here today. We wouldn't have the great success that we are experiencing here today on the economic side.

I just want to also say that, in addition to supporting charities such as Relay for Life and Victoria Faulkner Women's Centre, they support their in-flight magazine, *Yukon, North of Ordinary*; the local brewing company — Yukon Brewing Company; Midnight Sun Coffee Roasters — and the list goes on. So I think it's incredibly important that when we talk to this motion, we talk to the very importance of having continued competition. It's a good thing; we all benefit from it, but certainly not at the expense of lost jobs. We have to continually keep our eye on the ball in support of Yukon businesses and do what we can to facilitate that enhanced competition, but also not losing sight of what really matters the most.

I just want to again say thank you to everyone who has joined us here today in the gallery and for your continued support and just thank all of the MLAs in the House today for their support of this motion.

Hon. Mr. Cathers: I just want to join my colleagues in rising today briefly to speak to this motion and thank members of the House for their support of the motion put forward by my colleague, the Member for Watson Lake.

Air North has been a real part of the Yukon fabric of society for quite some time. My first recollection of Air North, my first connection with Air North, was in the days when I used to see the old green and gold DC-3s flying past my home on Lake Laberge. Since that time, I recognized that Air North has come a long way in terms of growth, in terms of its routes and, of course, from expanding to provide jet service to southern regions through the gateway cities. Air North has really been a part of the Yukon for a very long time.

It is part of our communities, of our economy and of our Yukon home. As a number of my colleagues have noted, we recognize that it is important to have competition in the marketplace. We also have to recognize the importance when we are dealing with government policies in making our purchasing choices, recognizing that companies that do put more money into local economy provide spinoff benefits that create more jobs beyond what those companies themselves provide. With the regional hub that Air North provides that the other carriers do not within the Yukon, there are more people who are working here. There are more purchases that are made in the Yukon, whether it be food, coffee, other services and supplies. There is the support for tourism that Air North has consistently provided. Advertising themselves as Yukon's airline provides some benefit to Air North in terms of branding, but it also does provide benefits to the Yukon when Air North is spending its money marketing both itself and the Yukon. The fact that Air North, through measures including its magazines, takes steps to promote Yukon products and other Yukon businesses and provides other businesses with a venue for promoting themselves to Air North's customers — all of those are steps taken by Air North that are not provided by the other air carriers and they all do provide benefits to other Yukoners.

The fact that Air North provides service to rural Yukon communities — Old Crow — of course, the Member for Vuntut Gwitchin has spoken to that and the critical importance that service provides to Yukon's most northerly community and the benefit, of course, to the Vuntut Gwitchin First Nation beneficiaries through their development corporation's stake in Air North. Other areas that, as mentioned by my colleague, the minister responsible for education and housing — the service provided to the mining sector through charters to Mayo and the number of mines in the Yukon. For workers who are not living here in the territory — many of them do fly on Air North. The charitable contributions that have been made consistently by Air North in contributing to the Yukon community, whether it be the Hospital Foundation, raffle tickets, direct contributions, et cetera, all represent the real effort by this company that we also have to recognize is different from the type of service engagement and contribution provided by Air Canada and WestJet within Yukon society.

Again, as government and as the Legislative Assembly, we have to continue with the position that recognizes the importance of competitive forces and encouraging competition, but also recognize the importance both with purchasing choices and with support for the pursuit of strategic partnerships, emphasizing very clearly to citizens and to WestJet and Air Canada that we see real benefit in the continued success of Air North. We see real benefit in what they provide to the Yukon and we very much support them in pursuing a strategic partnership with one or both of the other airlines, whether it be interline or code sharing agreements, baggage transfer — all of those elements we think could be mutually beneficial to those companies and provide benefit to Yukon society by helping Air North continue to be a successful contributing part of the community.

The medical travel services provided is another area. Another part I think is really notable in terms of the services they provide is the many letters that have appeared over the years in the newspaper from Yukon citizens, that Air North and its employees have gone above and beyond what service providers typically do in assisting people, particularly in times of need or in challenge.

I would also like to personally express my thanks again to Joe Sparling for the fact that I had a call at one point from a constituent who had an issue involving a disabled child and special equipment needs, and this person was concerned about the airline's ability to accommodate that. I appreciated the fact that I could pick up the phone and call Joe. Joe put the processes in motion and had the people at Air North talk to my constituent and ensure that the needs of their child were accommodated. That level of service to individual citizens and their needs is really a big part of what has won Air North the reputation it has with many Yukoners of being an excellent service provider and the airline of choice for many Yukon citizens.

With that, in the interest of time of this Assembly and the time of those in the gallery who have taken time from their days to attend this sitting, I will wrap up. I just want to again thank Air North, wish them the best, and emphasize my support for them in their pursuit of a strategic partnership between Air North and another mainline air carrier. I commend this motion to the House and thank the Member for Watson Lake for bringing it forward.

Hon. Mr. Pasloski: I, too, rise to support this motion. I want to thank our MLA for Watson Lake for bringing this motion forward. I want to acknowledge all the Air North people who are here today in the gallery. I also want to thank the opposition for their support of this motion.

Certainly, the Yukon government recognizes the tremendous contribution that Air North makes to all of the communities here in the Yukon and to our economy. WestJet's announcement of their intention to come into this market really looks like an overall strategy, or part of an overall strategy, trying to increase their market share by increasing their feeder connections into the mainline routes they have and really to do battle with Air Canada.

Now we're concerned that Air North, Yukon's airline, can get caught in this crossfire and this really hypercompetitive battle that's being waged between two very large airlines within the airline industry. The Government of Yukon is responding to Air North's request for assistance by working closely with them and helping to facilitate the development of a strategic partnership between Air North and either one of the mainline air carriers.

We offer a supportive government presence to encourage those negotiations of interline or code sharing agreements between these carriers. Now, at the request of the Economic Development minister, Minister Dixon, the Department of Economic Development will work with Air North on the details of such an agreement or those negotiations.

We believe such an agreement would benefit all Yukoners who want to fly with Air North and access connecting flights in

gateway cities without having to re-check baggage and go through security again. We certainly see the benefit to the larger carriers by allowing them to access Air North's market share for connecting flights beyond the gateway cities, because we certainly see Yukoners who fly not just to those gateway cities but, in fact, all over the world.

Replacement of capacity provided by northern carriers with capacity provided by mainline air carriers, like WestJet or Air Canada, comes at the expense of northern employment and northern GDP. When you look at the trade-offs between cost and benefits with local northern air carrier service versus mainline carrier service, it is clear in Yukon's case that a northern air service carrier hub with local infrastructure provides significant benefits to northerners.

Air North, Yukon's airline, is one of the largest private sector employers here in the Yukon with about 200 employees and an annual payroll of \$9 million. These jobs account for more than 1.5 percent of the private sector workforce and probably at least that amount in terms of the overall impact on Yukon GDP.

In addition to the government's position in this matter, many Yukoners as well as Yukon business organizations and, indeed, other Yukon businesses themselves, have spoken out on the importance of ensuring that the viability of a northern air carrier like Air North is not put at risk by the ensuing melee between Air Canada and WestJet, these two behemoths, as they battle for national market share. All of these folks deserve credit for their concern and for their stand on the issue.

With this issue being of such concern to the Yukon government, the Yukon people, Yukon businesses and Yukon business organizations, it is reasonable to surmise that our counterparts in Northwest Territories and in Nunavut, indeed even the federal government, should be interested in both recognizing and supporting local northern airline infrastructure and those northern air carriers that demonstrate a willingness and a commitment to the same.

I just want to add a little bit of an analogy that I heard that Joe Sparling talked about yesterday at the First Nation resource conference and student job fair. It was sort of an analogy between car manufacturing and an airline hub here in the north. I think everybody knows that when a car manufacturing company looks at putting a new plant in, indeed, you can get countries trying to bid to be able to get that manufacturing plant in their country, and then within the country, jurisdictions trying to bid to see which would be able to get that car plant in their jurisdiction.

If there was, for example, a car plant being announced by a company that wants to put on it the north, what would happen? You'd see the Americans and the Canadians and Scandinavians — all the northern circumpolar countries — would certainly be keenly interested. Within Canada, of course, you would see Nunavut and Northwest Territories, and Yukon, all interested in trying to acquire the right to have this plant built in their jurisdiction, and why is that? It's because of the recognition of the massive impact it would have on their economy — not just in the direct jobs, but also the indirect jobs and the people who are here and live in that area as a result of that employment.

I think that was a very good analogy in terms of the impact, and that having an airline hub here could be the same. So I think that was a very interesting analogy that was put forward.

Organizations like the Department of Aboriginal Affairs and Northern Development and the Canadian Northern Economic Development Agency, or CanNor, are two federal stakeholders that have a specific interest in the northern economy and whose mandates to support aboriginal people and northerners would be better served by the acknowledgement and actions in this regard. In 2011, InterVISTAS Consulting, on behalf of Transport Canada, did a study to determine the impact on northern air carriers and on northern air services, on increased mainline carrier services on gateway routes. The study was never released to the public, but it should have confirmed that there might be a role for Transport Canada to play at the policy level to recognize and to support the role of northern air carriers in the north.

Northern air carriers serve about 40 percent of Canada's land mass, but only 0.3 percent of Canada's population, so it's easy to understand why efficient, affordable and competitive air transportation between northern communities and southern gateway cities is so important, notwithstanding the significant challenges. Without question, northern transportation hubs like the one operated here in Whitehorse by Air North, Yukon's airline, provides jobs and other significant economic benefits to the north.

Clearly, there is a need for healthy competition in the airline industry in Canada, including the north, notwithstanding the unique challenges of providing these services in the northern regions of our country. In addition to providing air-carrier services, mainline air-carrier corporate goals could be accomplished without sacrificing northern jobs or possibly impacting service to northern communities by forming strategic alliances with northern air carriers, utilizing interline and code share agreements, thus better integrating air services between northern communities and southern gateway locations.

The Yukon government supports these principles and we will work with our counterparts in other jurisdictions to achieve a mutually beneficial understanding and appreciation of the significance of local air-carrier infrastructure and the benefits it provides to the north.

Once again, I want to thank Air North in terms of what they've done and what they will do for the north and commend this motion. Thank you.

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

Ms. McLeod: My colleague, the Minister for Economic Development, mentioned the point about competition. While we of course support competition, this does not seem to me to be a normal competitive situation. The hyper competitive entry-level pricing offered by WestJet seems to us to threaten the overarching existence of Air North.

I think there is a solution available, one that respects the business objective of the two mainline airlines and that recognizes the importance of Air North to Yukon's economy and

community. That solution, at least in part, could be reached in the objectives of this motion, and I want to thank all the members of this House for their support. Thank you.

Speaker: Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Pasloski: Agree.

Hon. Mr. Cathers: Agree.

Hon. Ms. Taylor: Agree.

Hon. Mr. Graham: Agree.

Hon. Mr. Kent: Agree.

Hon. Mr. Nixon: Agree.

Ms. McLeod: Agree.

Hon. Mr. Istchenko: Agree.

Hon. Mr. Dixon: Agree.

Ms. White: Agree.

Ms. Stick: Agree.

Mr. Elias: Agree.

Mr. Silver: Agree.

Clerk: Mr. Speaker, the results are 13 yea, nil nay.

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

Motion No. 84 agreed to

Motion No. 81

Clerk: Motion No. 81, standing in the name of Ms. McLeod.

Speaker: It is moved by the Member for Watson Lake

THAT this House urges the Government of Yukon to strengthen and diversify Yukon's economy by investing in the research, innovation and commercialization of cold climate technology.

Ms. McLeod: Technology is driving our lives. It is inevitable. Why not be at the forefront in the development of commercialization of new technology. We live and work in the north in a cold climate. We are very well-positioned to lead a new wave of research into cold climate technology.

The term "cold climate" refers to combined actions of low temperatures, snow, ice, wind and dark. Sound familiar?

We've heard much in this House regarding the diversification of our economy, and the development and export of technology is an excellent vehicle to assist us. The Yukon government has provided core funding to support the mandate of the Yukon Cold Climate Innovation Centre. Moving forward, the centre will work to strengthen partnerships with other research facilities and look for new partnerships. We can look forward to new projects in the areas of mining remediation technologies, alternative energy — and an example of this is using remote sensing satellites and low-level airborne infrared sensors

to identify possible geothermal sources in Yukon. Cold climate construction — an example of this has been in testing the effectiveness of vacuum-insulated panels as a method of energy conservation in northern climates — permafrost earthwork construction. Food security — an example is the construction of a super greenhouse at Yukon College for testing the potential of year-round crops. Personally, I find that very exciting.

This motion urges the Government of Yukon to strengthen and diversify Yukon's economy by investing in the research, innovation and commercialization of cold climate technology, which can help us reduce the disadvantages of the cold and indeed, capitalize on it.

Working with existing business and creating new business opportunities are winners for Yukon. Thank you.

Ms. Moorcroft: I am pleased to rise in support of this motion. Yukon New Democrats support research. Previous NDP governments led the way by introducing the *College Act* in 1988, which established an independent Yukon College Board of Governors, by establishing the Northern Research Institute — now the Yukon Research Centre — and by constructing the new Yukon College — not so new today — with the infrastructure that supports students in many program areas. It is a sign of how much the college is moving forward that it has opened the new climate and research centre and it now finds itself in need of endowment lands to allow for further expansion to support additional programs, research and student services.

Mr. Speaker, often in this Chamber members of the House hold opposing views and are unable to reach agreement. Today I am pleased to support this motion and the Government of Yukon's funding for the Yukon Research Centre.

As we find on the Yukon College website, the Yukon Research Centre includes the Cold Climate Innovation branch, which is focused on the development, commercialization and export of sustainable cold climate technologies and related solutions for subarctic regions around the world. The CCI supports the partnership between applied scientific research, industry and government dedicated to addressing cold climate issues affecting northerners.

Another part of the Yukon Research Centre is Technology Innovation, which encourages the development of innovative technologies and technology-based capacity in the Yukon. Its goals are to assist innovators in the development of commercial products and services that will contribute to the social and economic prosperity of the Yukon. Technology Innovation provides financial assistance to a wide range of innovative Yukon projects, ranging from software development to mechanical engineering, and we are very pleased to applaud the research that is done and is supported through them.

Time and time again, it has been proven that the real scientific advances have been discovered through fundamental research.

This demonstrates the importance of pure science. Humanity has become a dominant force in the shaping and manipulation of our global environment. Many scientists are greatly concerned that in the next 40 years the population of our planet

will increase so dramatically that the earth will no longer be able to support our current standard of living. As more and more countries become industrialized, the problems associated with this lifestyle — overuse of raw materials, energy consumption, pollution — will also increase. Scientists are worried that the planet will reach an unsustainable level of use.

Science research may be able to help solve these problems. This would require funding for long-term, applied research — research geared not only toward creating products to help us compete with other industrialized nations, but rather research focused on sustainable use of our planet's resources.

Now to speak for a moment on the research context of the research, innovation and commercialization of cold climate technology, I would be remiss if I did not state how very unfortunate it is that the federal government is cutting important climate change research — most notably, the Polar Environmental Atmospheric Research Laboratory, or PEARL, in Eureka, Nunavut.

The PEARL made key measurements, which, last winter, were used to detect and analyze the largest ozone hole ever detected over the Arctic. The PEARL will cease year-round operations on April 30 of this year. Scientists have proven that the polar ice cap is melting faster than previous forecasts, and that climate change is having very real effects here in the north, as it is elsewhere on the planet. The planet is a system. So, while we're pleased to see Yukon research, I would hope that the members opposite will urge their colleagues in the Government of Canada to reinstate funding for the PEARL in Nunavut.

Now, in the context of climate change — yes, we need to adapt and we need to address the root causes of climate change. I would like to speak about what is happening locally in the research field. On January 23 and 24, 2012, the Yukon Research Centre's Cold Climate Innovation and Technology Innovation hosted its first research innovation and commercialization workshop. In the summary portion of their discussions, which were attended by 98 participants, several themes specific to living in a cold climate were identified, including energy generation challenges.

I'll be speaking later about the Yukon climate change strategy and the Yukon energy strategy, which speak to those energy generation challenges. Participants in the local workshop also identified climate change impacts on water, snow-loading and permafrost, and they identified housing, whether that's funding assistance for green energy implementation projects or super insulation initiatives, or energy audits for all buildings.

The NDP caucus would certainly support funding research in all of those areas. Yukoners want to reduce their carbon footprint in their homes, in their offices and their travel. Government departments have identified other important areas of cold climate research. For instance, the Department of Environment — we made a tribute this week in the Legislature to it being Water Week. *Yukon Water* has published *A Summary of Climate Change Vulnerabilities* and much work remains in order to address the vulnerabilities of Yukon water resources to climate change.

There are a number of ways that we might focus our attention: to monitor and manage on a watershed basis rather than stream-by-stream; incorporate water valuation principles and a more formalized approach to environmental flow assessments into water management; consider projected hydraulic changes in near- and long-term planning for hydro power production; take future changes to water flow and quality into account when assessing future agriculture growth areas and associated water supply options. As the member opposite who introduced this motion said, it is very important that we continue to improve our food security and, indeed, our food sovereignty.

We need to consider climate change implications for mine closure planning, including ongoing monitoring; develop community risk evaluations and adaptive management plans for the water needs of Yukon communities; learn more about groundwater resources and ensure the information is communicated from researchers and monitoring agencies to decision-makers; review and adjust water monitoring networks to take into consideration future needs, climate change and adaptation measures; support watershed modelling research that could help decision-makers ensure projects affecting water are sustainable; increase dissemination of water monitoring data and information; review water management continually to ensure that decision-making is informed by, and responsive to, changing climatic conditions.

Another example of important areas for cold climate research is found in the Yukon energy strategy. Demand-side management is needed in order to meet the target of increased energy efficiency in Yukon by 20 percent by 2020. Yukon climate change strategy goals can be met by a number of initiatives. These would include: reducing energy consumption in Yukon buildings; reducing energy consumption for transportation in Yukon; promoting the use of energy-efficient products by providing incentives for products that meet energy performance standards; and improving energy efficiency for Yukon government operations.

We also need to be cautious and recognize that many innovations are high-tech and capital intensive. Some solutions are simpler, using local ingenuity, skills and materials. The full carbon footprint in what we are researching should be a consideration. For instance, with high-tech solutions, we should consider the footprint of the materials used to create hardware and software, the transportation of products, the energy required for their use and the implications for disposal.

Goals of the climate change strategy include enhancing awareness and understanding of climate change impacts on Yukon's environment, people and economy; reducing greenhouse gas emissions in Yukon through efficiency improvements in the short term and additional measures related to infrastructure replacement in the longer term; building Yukon environmental, social and economic systems, able to adapt to climate change impacts and positioned to take advantage of opportunities presented by climate change; supporting efforts to establish Yukon as a northern leader for applied climate change research and innovation.

The member's motion speaks to strengthening and diversifying the economy by investing in exactly the type of research that can enable us to meet these goals.

We are confident in the ingenuity of Yukon people and we want to recognize the valuable work of the researchers at Yukon College and the Yukon Research Centre and those they support through the various funds they administer. We are pleased to see the Government of Yukon supporting research, and we are in support of this motion.

Hon. Mr. Dixon: It is a pleasure for me to rise today in support of this motion, which speaks to the need to strengthen and diversify Yukon's economy by investing in research, innovation and commercialization of cold climate technology. I think at the core of this motion is the recognition that, while Yukon does enjoy a strong economy currently, an economy that has done well for the last number of years, it is incumbent upon government to invest in initiatives and programs that seek to further strengthen that economy and indeed diversify it to lessen the reliance on certain sectors of the economy and develop strengths in other sectors of the economy.

Innovation is one aspect of the economy that is increasingly being noted by jurisdictions across the world as being of fundamental importance for the continued productivity, growth and economic health of economies across the world.

In a recent article in the *Harvard Business Review*, an expert on innovation, Dr. Rosabeth Moss Kanter, actually did a phenomenal job, I thought, of explaining the need for innovation and how it can lead to economic success. Now, she focuses primarily on the United States, but I think a lot of the lessons she discusses are relevant, indeed, to Yukon, as well. She argues, of course, that when business, academic and policy leaders collaborate to bridge the gaps, they create a fertile environment for job growth and more inclusive prosperity. Creating and maintaining links among these institutions requires a commitment to invest in the foundational institutions that are sources of enduring strength, including centres of knowledge and creation, incubators, innovation zones and high-quality education linked to changing job skills. She also argues that we need to seek integrated, collaborative solutions that direct resources to regional coalitions and public-private partnerships with coherent strategies, such as small company mentoring or collaboration between business and community colleges.

Identifying and rewarding excellence, investing in the best ideas and spreading institutional innovations are fundamental for economic success.

Recently, as I mentioned in my response to the budget speech, the federal government has directed its ear toward the need for improved support for innovation and recently commissioned — I believe it was two years ago — a panel of experts to do a report on innovation within Canada. It has since been published and been termed the "Jenkins report" — *Innovation Canada: A Call to Action*. In the executive summary of that report, it suggests that, "Studies have repeatedly documented that business innovation in Canada lags behind other highly developed countries. This gap is of vital concern because innovation is the ultimate source of the long-term competitiveness

of businesses and the quality of life of Canadians. The ability to conjure up new products and services, to find novel uses for existing products and to develop new markets — these fruits of innovation are the tools that will ensure Canada's success in the twenty-first century."

The Jenkins report, of course, highlights one aspect of supporting innovation as supporting collaborative R&D institutes. It suggests that, "Canada needs a fundamentally new approach to building public-private research collaborations in areas of strategic importance and opportunity for the economy. Accordingly, we recommend that the business-oriented institutes of the ..." — I'm quoting from the Jenkins report — "... National Research Council (NRC) should become independent collaborative research organizations, intended to be focal points for sectoral research and innovation strategies with the private sector."

As you can see, Mr. Speaker, the collaboration occurring at the Yukon Research Centre and the Yukon Cold Climate Innovation Centre follow very much along these lines. It was a real privilege for me to join the Minister of Education at the college on March 12 where we announced the continued support from this government for the Yukon Research Centre and of course the Yukon Cold Climate Innovation Centre. The Yukon Research Centre falls under the direction of the Department of Environment and the Yukon Cold Climate Innovation Centre falls under the direction of the Department of Economic Development. These combined form what is becoming an increasingly important hub of central research at the Yukon College and is indeed a part — an important part of furthering the development of Yukon College.

Of course, on the 12th of March, we announced our continued support, which was coming in the form of over \$5 million in funding support from the Government of Yukon over the next five years. Of course, this is subject to legislative approval and I assume the members of the other two parties will indeed be supporting this motion and hopefully the budget, which of course contains this valuable funding for the Research Centre and Cold Climate Innovation Centre.

This sort of support of innovation and research really lends itself to developing and continuing to develop a knowledge economy in Yukon. I think it is important, in light of my earlier comments on the need for diversification and strengthening of Yukon's economy, that the knowledge economy be highlighted as one with a lot of potential for growth. The funding agreement for the Yukon Research Centre, as we announced, commits \$2.2 million over the next two years from the Yukon government and the funding agreement for YCCIC commits to over \$2.8 million for the next five years in operational and project support.

The Yukon Cold Climate Innovation Centre has had a number of years of great success. It is really coming into its own as an institution and moving toward its goal of becoming internationally recognized as a centre for the development, commercialization and export of sustainable cold climate technologies and related solutions for subarctic regions around the world.

The support of this centre will support the development, enhancement and success of Yukon's technology industries. Now, going back to the comments in the Jenkins report and the academic article I referenced, the need for identifying niches — I guess you would say — of expertise is very important. I think Yukon has an opportunity to identify cold climate technology as its niche, in its contribution to innovation and research. Now, we aren't the only ones that have noted the need for this type of partnership available for research and innovation and development. In the 2010 report of the Whitehorse Chamber of Commerce, *Partnering for Success*, they indicated that in a continued effort to diversify Yukon's economy, the knowledge sector is proposing a research development park at Yukon College. Of course, following the research park model, researchers would develop leading technology for transfer and adaptation to commercial and government sectors — that is, essentially, the commercialization aspect of the research, innovation and commercialization sector. Commercialization, of course, is an important component that must be linked in with research and innovation. It's excellent to have research conducted and innovative practices and ideas come forward, but the true test for them is the ability to commercialize those ideas and innovations — that is to say, bringing them forward from a conceptual idea to an actual marketable product.

The Yukon government is committed to supporting Yukon's research, innovation and commercialization sector as an area of prime strategic importance to Yukon's economy. Development of the RIC sector has strategic, long-term benefits for Yukon, including enabling growth of the private sector, supporting the development of wealth-generating industries and secondary industries, and supporting the development of a knowledge-based economy in the Yukon. The Department of Economic Development works cooperatively with Yukon College, CanNor, the Yukon and Whitehorse chambers of commerce in order to advance the research, innovation and commercialization sector. Yukon government is continuing to work on the diversification of Yukon's economy by identifying and exploring significant economic development opportunities in the strategic industries — natural resource, tourism and culture, research, innovation and commercialization sector.

Really, the support of these two centres — the Research Centre and the Yukon Cold Climate Innovation Centre — is a fundamental aspect of our support for diversifying the economy.

Speaking more specifically to the Yukon Cold Climate Innovation Centre, that centre is a partnership between applied researchers, industry and government, dedicated to developing, commercializing and exporting sustainable cold climate technologies. As I mentioned, it is housed at Yukon College. The YCCIC facilitates the collaboration between scientific researchers and businesses with the goal of commercializing solutions to cold climate issues affecting northerners. Particular focus is given to applied research around cold and varying climatic conditions in Yukon.

The Cold Climate Innovation Centre's subsidiary program, the Yukon Technology Innovation Centre, enables YCCIC to support a broader range of technology projects. While we do

focus on cold climate technologies, a number of other technologies are supported through the YTIC, an example of which is the Plastovac machine that's currently being developed, which removes plastic from compost. That's not something that's unique to Yukon or cold climate; it's something that can be used and commercialized anywhere in the world they have plastic in compost which, as far as I know, is everywhere.

In fact, that small Yukon company has been, I understand, in touch with a much larger company that manages the landfill operations for Mexico City, so it is a tremendous opportunity for this local business to capitalize on its innovative idea and machine to bring that technology to a global or international level.

Another aspect of the knowledge economy that is supported by the Yukon Cold Climate Innovation Centre and Yukon Technology Innovation Centre is the ICT sector — the information, communications and technology sector. The Department of Economic Development is currently working with Yukon Information Technology and Industry Society and other stakeholder groups to develop a strategic action plan for the Yukon information, communications and technology sector. This plan will provide a vision and a road map for Yukon's ICT sector to enable its continued growth and to enhance Yukon's economy. The intent of the new ICT sector strategy action plan is to provide a vehicle for stakeholders to collaborate and achieve shared goals and to create and build relationships between the ICT industry, government, First Nations, and the education and research sector.

ICT is, Mr. Speaker, I think, an example of the knowledge economy that often goes under-recognized in Yukon. I was surprised to learn that the ICT sector is actually comparable to the tourism sector in terms of its contribution to the GDP of the Yukon — that's around five percent or six percent of Yukon's GDP — a surprisingly high number, I thought, for an industry and a sector of the economy that we don't often hear about.

One of the functions of the plan that we're developing for the ICT sector is that the plan will do a number of things: present a picture of Yukon's ICT sector and how it fits within the Canadian and global ICT industries; provide a shared vision for the Yukon ICT sector over the next three to five years; provide strategic goals and a road map for the Yukon ICT sector to further grow and develop as a pillar of the knowledge sector in order to enhance the economy of Yukon; and provide an action plan to implement the strategic goals. The action plan should include clear measurable targets to enable the assessment of progress against the stated goals.

The last strategic plan for the Yukon ICT sector was completed in 2002. One of the major initiatives accomplished as a result of that plan was that the Government of Yukon now works to balance the volume of government-initiated ICT projects on an annual basis in order to allow the ICT industry to more consistently predict the project levels from year to year.

The Government of Yukon has a practice of breaking down large ICT projects into a number of smaller projects, where possible, to give the Yukon ICT sector the opportunity of bidding on these projects. The ICT sector is responsible for the vast majority of software development done for the Gov-

ernment of Yukon. The default position is that the resulting intellectual property belongs to the software developer. There are a few instances where the government still opts to own the intellectual property.

Quarterly meetings are held between Highways and Public Works ICT and the Yukon Information Technology and Industry Society, better known as YITIS. These meetings are an opportunity for the Yukon ICT sector to obtain a preview of upcoming government ICT projects. Highways and Public Works ICT actively advises larger national/international suppliers of Yukon ICT companies capable of handling the maintenance and support aspects of large procurement contracts. According to Stats Canada, over the last 10 years the Yukon ICT industry has made up a considerable portion of Yukon's GDP — as I said, comparable to the tourism industry. A steering committee, with representation from industry, government, First Nations and Advanced Education will guide the development of the plan and is made up of the following members: industry — three representatives from the YITIS board; Government of Yukon — one representative from each of the departments of Highways and Public Works and Economic Development; research and education — one representative from Yukon Technology Innovation Centre and one representative from distance learning, Yukon College; and, of course, First Nations — one representative from Council of Yukon First Nations.

The Department of Economic Development supports this, along with CanNor. The maximum value of the contract currently to develop the plan is \$75,000, also contained in this year's budget. The Department of Economic Development works in collaboration with the Department of Highways and Public Works on a number of ICT-related matters.

As you can see, the ICT sector is one that has a lot of potential, in terms of its ability to develop further and strengthen and diversify Yukon's economy. The companies that do ICT work, often when they have ideas or potential products they think can move forward, they will contact and work with the Yukon Cold Climate Innovation Centre and the Yukon Technology Innovation Centre to develop their innovative ideas.

If I may, I would like to discuss some of the successes that the Yukon Cold Climate Innovation Centre has had over the years and, of course, hopes to continue to have in the future.

During the first year of the Yukon Cold Climate Innovation Centre, a majority of the time was spent building the basic foundations of YCCIC operation. The then director's focus was on marketing the centre to business and academic communities, while developing the research agenda for the future. This included meetings with government officials, educational institutions, local industry and territorial and extra-territorial research facilities.

The results of these efforts included partnership with Northwestel on two projects: one being the investigation of the viability of the Stirling engine, which is an alternative energy technology, for its corporate purposes; and the installation of weather and permafrost tracking instrumentation at a number of remote Arctic transmission sites to enhance understanding of real-world climatic conditions in those locations and their implications for cold climate construction; partnership with

Yukon Energy on geothermal remote-sensing reconnaissance, specifically testing two technologies — remote sensing satellite imagery and airborne infrared thermal sensing; partnership with Kryotek Arctic Innovation Inc., a local research and development company, to investigate the feasibility of a solar-powered, controlled permafrost-thawing device for safe and predictable de-watering of permafrost areas prior to construction activity.

Mr. Speaker, I would love to go through more of the CCI's many successes, but seeing that my time is elapsing, I will conclude by saying that I think this motion is a phenomenal one. It is an important one, as I said, because we need to strengthen and diversify our economy. Research, innovation and commercialization of cold climate technology are fundamental components of that. With that, I will cede the floor and conclude by saying that I wholeheartedly support this motion and thank the Member for Watson Lake for bringing it to this floor.

Mr. Silver: I thank the Minister of Environment for his words, his education in this, and for sharing his vast knowledge. I would also like to thank the Member for Watson Lake for bringing forward this motion.

I am pleased to rise and support this motion. It is important to look at ways to improve the lives of residents north of 60. Part of this involves creating infrastructure of better quality and that will be longer lasting as a result.

We support creating new ways to design highways and buildings that will prevent damage due to permafrost as well. The federal government's decision to close the PEARL research station in Canada's high Arctic shows the federal Conservatives' lack of interest in northern science and research. It's up to this government to pick up the ball, to ensure the Yukon is moving forward with this and not backward.

The Arctic is changing. Climate change is affecting our region of the world faster than many other areas and we need to monitor this change and take steps to prepare for it. I was wondering if this government is prepared to state for the record that the Arctic is, in fact, changing and that climate change is affecting our region of the world faster than many other areas of the world and maybe, for the record, recognize the need to monitor this change and take steps to prepare for it.

We need to look at research and innovation to address some of the territory's biggest challenges: transportation, housing and energy. The need to look for different types of renewable energy resources is extremely important to this Yukon: wind, solar, hydro, geothermal, and also biomass, for example.

Haines Junction has incredible potential for geothermal power. The temperature of some of the water found near there is almost 100 degrees Celsius. Geothermal potential in the territory certainly requires more research in terms of cost and feasibility, but it's important that we mark this as a possibility to help supplement what is fed into the grid. Yukon Energy Corporation has been exploring geothermal, and so I'd like to commend them on this. With all of the incentives and studies and research and potential in geothermal energy, I was a bit surprised to hear nothing in terms of current or long-range funding in the Premier's Budget Address, and I wonder, could

the Premier or the minister responsible for the environment comment at some point on why geothermal energy is not a priority currently and whether it is on the road map for future directions in renewable energy?

Wind energy — wind generation is also a possibility, especially in the areas like Ferry Hill, near Stewart Crossing. This has been looked at for a number of years. It is estimated that the wind energy could produce up to 20 megawatts of power in this area. First Nations could benefit greatly from renewable energy. Many First Nations in the Yukon are looking at various forms of energy. Kluane First Nation, for example, is taking a solid look at wind energy. It is estimated that the average wind speed in the Kluane region is about six kilometres per hour and — as the Member for Kluane can attest to — you can imagine the magnitude of this wind power could really blow your hair back. This could generate up to 150 kilowatts and could reduce diesel dependence by one-fourth.

Biomass, as well, has great potential in the territory and could actually lead to economic development in rural regions. Scandinavia has done some amazing things in this area and some small towns are run entirely on biomass. It is estimated that biomass could provide up to 20 megawatts of power. We can use trees that have been damaged or killed by beetles and fire.

Pellets are half the price of diesel when shipping costs are considered. They are currently heating the jail with these pellets right now as we speak. Alaska has two pellet plants and B.C. has a number of them. The Yukon could really benefit by investing more in this technology. I'm interested in discussing with this government its appetite in helping to provide the public sector help in biomass technology and what steps this government would like to use to assist current local businesses in their pursuit of this expanding sector in our economy.

In closing, I would just like to reiterate the Liberal Party's commitment to support this motion and other commitments by this government to strengthen and diversify the Yukon's economy by such interventions.

Hon. Mr. Kent: It's a pleasure to rise today in the House in support of the Member for Watson Lake's motion regarding research and support of cold climate innovation.

I guess, Mr. Speaker, where I would like to start with in my response to this motion is going back to previous Yukon Party governments who were responsible for the climate change strategy and actually starting the Cold Climate Innovation and Research Centre at Yukon College.

Those initial actions by our predecessors have really renewed us with our "Moving Forward Together" platform and plan we put in front of Yukoners last fall. Implementing the climate change strategy was a major pillar of our environment platform. We continue to implement the *Climate Change Action Plan* with the following goals: enhancing knowledge and understanding of climate change by investing in science and research to better understand the effects of climate change in the north and maintain support for the Yukon Research Centre, which we have committed to doing in this budget; reducing our greenhouse gas emissions by capping greenhouse gas emis-

sions from Yukon government internal operations at 2010 levels and reducing those emissions by 20 percent by 2015, while maintaining the goal of having Yukon government be carbon-neutral by 2020; adapting to climate change by developing strategies for adapting Yukon infrastructure; determining the vulnerability of Yukon water resources and developing strategies in response; and to leading Yukon action in response to climate change, developing emission targets and implementation options and continuing to support the Climate Change Secretariat.

We want to ensure that actions taken to address the issue of climate change are coordinated with and take into consideration the *Energy Strategy for Yukon*. So they are very much companion documents — the energy strategy and the climate change strategy — started by our predecessors and renewed by us in the "Moving Forward Together" document, some of which, of course, is reflected in this budget.

Again, as I mentioned before, a big portion that is reflected in this budget is support for the Yukon College Yukon Research Centre. What we committed to last fall was to develop a renewed funding arrangement for the Yukon Research Centre that will include support for the Cold Climate Innovation, Yukon Technology Innovation, Northern Research Institute, Northern Climate Exchange, innovators in the schools program and the Social Economy Research Network of Northern Canada. So, we're delivering on those commitments that we made to Yukoners last fall. That was evident by — as mentioned by the Minister of Economic Development and the Environment — in an announcement that he and I made jointly at Yukon College last week, just prior to the commencement of this sitting.

At that announcement, my comments were that research, education and innovation are keys to growing a northern knowledge sector. We're certainly proud of the active network of researchers and innovators within Yukon and our investment in the knowledge-based sector encourages greater educational opportunities and technical advancement.

It's not only the Yukon Party through the work that they did previously and the commitment we made in our platform last fall that said that, but expanding the knowledge sector is a key piece — a key pillar — to the partnering for success model that has been advanced by the Whitehorse Chamber of Commerce. I believe their four pillars for the Yukon economy are mining, tourism, the knowledge sector and the retail and services sector. So this is really an acknowledgement of the work that the business community has done and our agreement that investing in the knowledge sector is not only good, in this case for the environment, but also good for the economy.

At that same announcement last week, we heard from the vice-president of research at Yukon College that long-term funding is critical to the success of a science research facility and the funding will allow the Research Centre to continue building local capacity, contribute to the Yukon knowledge economy and develop ways to help Yukon adapt to climate change. We also heard from the manager of a local window manufacturer that this gives us an opportunity to delve into some projects we have been hesitant until now to start on. It is

great news for us and for other people and companies involved in innovative business. You can see that this investment in research that we have announced of \$5 million over five years has been well-received not only by the research community, but also by the business community.

I would like to take a little bit of time to speak to some of the good work that is being accomplished at the Yukon Housing Corporation with regard to energy and heating. The corporation has developed a SuperGreen energy standard which promotes construction that results in lower energy costs during the building's operating life and benefits the environment by reducing greenhouse gas emissions. All new Yukon Housing Corporation buildings meet or exceed that standard.

From June 2007 until March 2009, the Yukon Housing Corporation provided incentives for homeowners to improve the energy efficiency of their homes, as well as for alternative energy systems. The corporation also instituted a requirement for clients borrowing funding for new home ownership construction to build to the GreenHome energy efficiency standard, working with the City of Whitehorse regarding building standards within the municipality. What happened here resulted in Whitehorse's new building and plumbing bylaw for energy conservation in new construction, including increased insulation, mandatory heat-recovery ventilation systems, airtightness and depressurization testing. The Housing Corporation also provided the training and administrative paperwork third-party inspectors needed to implement the energy bylaw for the City of Whitehorse.

In partnership with the Yukon Cold Climate Innovation Centre, the Housing Corporation and a local company partnered to conduct extensive monitoring on 21 units, ranging from single-family dwellings to multi-residential buildings. Data will be streamed to a server at the Yukon Research Centre and made available to other agencies. What this information will help us do is better understand the performance of super-insulated residential buildings, the effects of lifestyle on a building, the accuracy of computer models and quite a bit more information that will certainly be useful and helpful in moving forward.

Finally, with respect to the Yukon Housing Corporation, in partnership with other agencies the corporation is monitoring several heat-recovery ventilation units in extremely cold climates to gather data on the performance and modes of failure of HRVs in the north. It will help identify ways to improve ventilation systems in this climate for better occupant health, home durability and energy costs. I would like to congratulate the Yukon Housing Corporation officials and the board of directors for their work with respect to energy efficiency and working with the many partners that they do, from local industry to the City of Whitehorse to the Cold Climate Innovation Centre.

Just to switch gears for a moment, I want to speak to the Yukon Research Centre, in particular with the organization at Yukon College that is funded directly by one of my departments, the Department of Education. Our commitment to the Research Centre was a two-year commitment, slightly over a million dollars — \$1.08 million in each of the next two years

So, again, coupled with the investments by the Minister of Economic Development's department to the Cold Climate Innovation Centre, it brings that total up to \$5 million over the five-year period as it stands right now.

The Research Centre itself is dedicated to Yukon-based research on climate change, adaptation and the development and commercialization of cold climate technologies that address the needs of northerners and their communities. The centre, of course, based at Yukon College, started out in the basement of the new student residence and has since expanded, with the opening of the new building this past fall, which includes several labs and space for researchers to conduct their work on-site. The centre is funded, of course, both by the Department of Education and the Department of Economic Development. In 2010-11 and 2011-12, the previous Yukon Party government's Department of Education provided the Research Centre with a total of \$2.09 million in funding. As I mentioned before, we look forward to continuing to fund the centre with an additional \$2.176 million for fiscal years 2012-13 and 2013-14.

Some examples of some Yukon Research Centre, or YRC, projects that have been successful include the community climate change adaptation program. Funding for that was \$242,000. This project selected three Yukon communities — Dawson City, Mayo and Whitehorse — to participate in adaptation planning to define the local impacts expected from climate change, identify how the communities were vulnerable to these impacts and the best ways to adapt and take advantage of the changes.

Another project is the climate change information and mainstreaming program — \$225,000. This project is a partnership between the Northern Climate ExChange and the Climate Change Secretariat to provide Yukon government departments with support and expertise for the integration of climate change considerations into project planning and decision-making processes. Services offered include climate change adaptation projects and methodologies, vulnerability and risk assessments, climate trends, climate change projections, technical expertise and project recommendations.

There has also been a \$363,000 investment into the Mayo-Pelly Crossing hazards assessment. Under this, landscape hazards were mapped in Pelly and Mayo and the data generated can be used to inform planning and policy decisions and establish a baseline, from which to measure future interventions.

Finally, Mr. Speaker, the last project that I want to speak about is the Carcross hazards assessment — \$10,000. This project was in partnership with the Land Planning branch of Energy, Mines and Resources to produce a discussion paper on the areas in Carcross that are vulnerable to climate change, which will then inform the creation of a local area plan for Carcross.

I know that the Minister of Economic Development spoke about a number of businesses that have benefited from funding at the Cold Climate Innovation Centre. He spoke specifically to the project regarding the removal of plastic from compost. We've also seen dollars invested from YITIS to a local firm that has come up with a concept that was highlighted in local media before Christmas called Flik, which is an IT application

designed to improve inter-office communications. So we have seen a number of benefits on the IT side. Companies such as Quantum Machine Works, I believe, have benefited as well. 10 or 15 years ago, they started out as a very small business here in Whitehorse, and now they have expanded to as many as 20 or 25 employees here, as well as operations internationally.

I believe that they have a manufacturing plant in Colombia, as well, so we can certainly see what small investments will do to promote and inspire small business owners to grow and prosper. We are certainly very pleased with the seed money that we're able to provide to organizations and businesses too, to help them grow and become world leaders right here from the Yukon Territory.

With that, I'm going to conclude my remarks. I would like to thank members from the Official Opposition who have indicated that they will be supporting this motion, as well as members from the Third Party who have spoken in support of this motion. Again, it's something that was started by the previous Yukon Party government and continued in our "Moving Forward Together" platform of last fall, and we're encouraged and excited that we're able to deliver on those commitments as soon as this budget — in the 2012-13 budget, those commitments are being delivered on.

Again I would like to thank the Member for Watson Lake for bringing this important motion to the floor of the House, thank my colleagues on this side of the House for voting yesterday in favour of the budget that includes this funding and thank all members of the House for speaking in support of this today.

Applause

Hon. Mr. Istchenko: I am also privileged to stand here and I would like to thank the Member for Watson Lake for proposing Motion No. 81. This is near and dear to my department. Not a day goes by where a Yukoner isn't touched by my department, whether they flying or driving on a road or having something fixed at a building.

I would like to speak a little bit more to the hands-on portion of how this affects the government. When it comes to the airports, if we look at the airline industry and talk to the airline industry about de-icing equipment — look at the past and look at the present — how much more they are using their de-icing equipment with the change in the climate. If you want to look at — for example, the Member for Klondike was talking about biomass at our new wonderful Whitehorse Correctional Centre, the new jail, where we are using pellets to the tune of about 40 tonnes a year.

That's just new to the Yukon. It's been around for awhile. On average, Yukon uses a thousand tonnes a year. To have this 400 tonne added to the economy of the Yukon — there are possibilities for business, for somebody to adapt it into maybe a pellet plant here. It's used up in Dawson, also. There's a biomass — we're working on biomass in Dawson.

When it comes to our highways and our roads, not a day goes by where we drive in — whether from Carcross or from Dawson or down from Beaver Creek — where we're either driving over pavement or bituminous surface treatment, which

is BST. Many Yukoners don't realize that there's a difference between pavement and BST. BST is something where we use aggregate of 5/8 or 3/4 when we make the BST, and lay it on the road. It leaves a bit of a sharp, gritty sandpaper look for the climate that we have in the Yukon here, so the roads aren't as slippery as they would be on pavement. It also helps with the removal of ice with traffic driving over it — it breaks the ice up. But every now and then, when you're driving on these two surfaces, you will hit an inevitable low in the road or a high in the road that shakes your groceries up and rattles your false teeth, if you have them, Mr. Speaker.

That is permafrost and that's one of the key things, through our department and through this initiative — it's important to our department. We've had a test project running in the Beaver Creek area through permafrost. We endeavoured on the Shakwak project, with many millions of dollars from the United States, to build this and we're constantly working with them to receive more funds because of the issue of permafrost.

The permafrost we have in the Yukon Territory is different from all other permafrost in some of the other areas. In my past years working in the department that I'm now in charge of, I worked partly with drilling ice lenses in the areas to test for permafrost. We would pull the core samples out and there would be 40, 50, 80, or 100 feet of just ice. We put the core samples in the core box, turn around, and they had melted. So we can see where that would be a big issue with the roads.

From the start of the Shakwak project, dealing with permafrost, we learned a lot from that. We learned that using the fill that we pull out of the road does not work for fill, because it melts. The big issue with it is that the permafrost is at minus one degree, so it doesn't take very much at minus one degree for it to melt.

Some of the test areas that we've set up in the Beaver Creek area — we're testing a lot of different things. The Member from Klondike can attest: when he drives on his main street, it's all paved with white rock. The pavement is white rock. Sun soaks into dark and it reflects the white to keep the heat out of the permafrost under Dawson. As you can attest to the downtown Dawson, every time they go to construction work they have to deal with permafrost. Some of this cold climate change stuff can be very — the knowledge and the stuff that we learn from it will really help when it comes to building infrastructure.

In that test area up in the Shakwak project, we have underground tubes where we pump air underneath there to keep the ground surface frozen. There's many different test projects. We have aggregate of that colour too. The average life of an area that's affected by permafrost on a road, compared to an area that's not — you get 10 times the life out of a good section of road. You can see where that comes to the budget. It comes to the Highways and Public Works budget when we go to fix roads. Everybody wants their road redone — there's a pothole there, there's a pothole there, but permafrost being something that is Mother Nature's, a product of a little bit of climate change. It's something that we have to deal with, so sometimes we're putting our resources into the same areas.

I can remember chipping the same areas over and over and over again. Others would say, why do it? It's part of the Shikwak agreement; they require their roads to be surfaced with BST and/or pavement. We're working on the good sections of the road to replace most of the pavement but, when it comes to the areas around Beaver Creek, we're still using the cheaper, more effective, BST but having to replace it more often. That takes out of our budget and that's why sometimes you don't see so many kilometres of road. I'm proud of the department for how they manage this.

Another thing I would like to speak to a little bit is about our winters and summers in the Yukon. Our winters have changed; our summers have changed. We're seeing more rain in the summer, and that's part of the climate change. This is why I'm proud to support the cold climate technology research innovation, Bill No. 81.

The climate is changing. In the wintertime, we're seeing more rain — adaptive measures, test projects for using products you would lay on your road surfaces before the storm comes, so it doesn't turn to ice, rather than using a standard old sand. Minus seven degrees and colder, laying sand out of the back of a sand truck — it does not adhere as well to the road. Any warmer than minus seven, laying sand or laying salt, it will melt.

Some products that come from this that we have tested and worked on before, and will be working on in the future, are some environmentally friendly products that we use on the roads as opposed to just regular salt. There are a lot of test projects and test stuff out there. Other jurisdictions have bigger budgets and we can use some of their innovation and technology.

I would like to talk a little bit about my riding — some of the things brought up about wind and some of the things brought up about warm water. We developed a well in our municipality. We drilled down 1,000 feet and found an aquifer. We had 220 psi on an eight-inch line popping out of that and the temperature of that water was 16.1 degrees. That is a great, great story. The well cost us over \$1 million. In order to use that, we would have to drill another well of over \$1 million and reproduce all of our infrastructure. With cold climate, with change and with utilizing new systems, sometimes, inevitably, the costs are way far more than being able to just use standard stuff.

I guess in closing, I support this wholeheartedly. It is near and dear. We have the largest non-polar ice field in the world in Kluane.

I look forward to seeing some of the stuff that Yukon College and everybody is putting out — some of the stuff they're working on at the Arctic Institute within the municipality of Haines Junction, looking at some properties there that Parks Canada has for sale. My Department of Highways and Public Works, and I'm sure my constituents, are happy to see this. So once again, I would like to thank the Member for Watson Lake for this, and I do support that, Mr. Speaker. Thank you.

Speaker's statement

Speaker: I would like to remind the member not to bring the Speaker into his conversation, and my teeth are quite fine — they are originals.

Hon. Mr. Nixon: Mr. Speaker, it's a privilege to rise and speak to this motion today, and I do also commend the Member for Watson Lake for bringing this forward.

I'd like to address this motion first by speaking to the need to strengthen and diversify Yukon's economy. In our platform, we laid out our vision for a prosperous and diversified Yukon economy. We pledged to implement the vision outlined in the Yukon government's *Pathways to Prosperity: an Economic Growth Perspective, 2005-2025*. This called for us to continue to expand the Yukon economy by promoting our economic mainstays such as mining — both hard rock and placer — tourism, oil and gas.

It also called for us to continue to expand the Yukon economy by promoting the diversification of the Yukon's economy and other sectors, such as art and culture, film and sound, forestry, agriculture, outfitting, trapping, research and development, knowledge-based industries and value-added manufacturing, and also maintaining Yukon's extremely favourable general tax environment that promotes investment in the territory. We committed to promoting resource investment, and, if elected, we said we would promote small business, trade and investment. This includes our commitment to no tax increases. Yesterday, when the Premier began concluding remarks to the second reading of the budget, I was so pleased that he noted this commitment to no new tax increases. As the Minister of Tourism and Culture, I'm learning more about marketing "Destination: Yukon". This includes work with industry, communities and First Nations to promote the Yukon tourism brand that markets Yukon as an attractive year-round destination.

On a related note, we also committed to promote affordable domestic and international air access. We also committed to promoting northern natural gas pipelines, forestry, agriculture and to putting Yukoners first.

Our platform included promoting energy self-sufficiency. In my reply to the throne speech, I laid out my position that energy is a major issue going forward. We need to address both energy conservation and energy generation. I believe we need to continue to implement the energy strategy for Yukon to promote a sustainable and secure energy future. That brings us to our commitment of investing in infrastructure. We will continue to utilize multi-year capital plans to guide the development of Yukon's infrastructure projects and provide clarity and certainty for the public and industry about Yukon's infrastructure priorities, and also research and investigate solutions for the effects of permafrost on transportation infrastructure and use the Cold Climate Innovation Centre to specialize in three general areas of cold climate technology — those would be building, construction and maintenance, municipal infrastructure and geotechnical works.

The Cold Climate Innovation Centre is focused on the development, commercialization and export of sustainable cold climate technologies and related solutions for subarctic regions

around the world. It supports the partnership between applied scientific researchers, industry and government dedicated to addressing cold climate issues affecting northerners.

I want to talk for a few minutes about the work going on at the Yukon Cold Climate Innovation Centre. One of their projects is working on drilling, hot water supply, heater and pump, where they want to find a better solution to supplying the heated water that is needed at diamond drill sites. The vision of this product is to design and manufacture a more efficient and safer hot water supply system. This project hopes to increase the safety of the heater for the protection of employees; increase the efficiency of the heater to reduce emissions and operation costs; increase the reliability to reduce operational downtime; create a product of sufficient simplicity and reliability to capture 100 percent of the drilling water heater market share; increase the manufacturing capacity of the Yukon; and employ Yukoners in the manufacturing sector.

Another of their projects is the dual-frequency ice penetrating radar. The goal of the project is the implementation of a dual-frequency ice penetrating radar — or IPR system — with field validation under real world conditions. The completed system will be a commercial grade instrument targeted to scientific research groups and natural resources industries. This technology will allow researchers to understand the response of glaciers to climate, including changes to their flow regimes. This technology is an essential step in evaluating climate change impacts on the glacial regions of the world.

I talked about energy generation previously, and I want to revisit that topic here. I want to mention the project using Stirling engines. For those who are not familiar with Stirling engines, they have been around for about 200 years. Robert Stirling was a Scottish inventor of the first practical example of a closed-cycle air engine in 1816. A Stirling engine is a heat engine operating by cycling compression and expansion of air or other gas, the working fluid at different temperature levels, such that there is net conversion of heat energy to mechanical work.

One of their projects is the Infinia Stirling engine project, which is a joint project between cold climate innovation and Northwestel. The project was designed to assess the possibility of increasing reliability and reduce the operational costs of remote telecommunication sites throughout the Northwestel service area. The Infinia Stirling engine has the possibility of being more reliable and more fuel-efficient than power generation technology currently deployed at these sites.

The goal of this project is to assist the industry partner in determining the viability of this technology. Stage 1 involves product testing at the testing facility at the Yukon Research Centre. The Infinia Stirling will be deployed in a remote site simulation building to assess its reliability, fuel consumption and operational requirements.

Stage 2 of this project will involve installing the Infinia Stirling at one of Northwestel's remote sites. It will take the place of an internal combustion diesel generator and will be monitored for reliability and efficiency. My understanding is that, should stage 2 of the project prove that this technology is

viable, Northwestel will then investigate the possibility of converting multiple sites to Stirling power.

Mr. Speaker, I think these examples demonstrate the importance of research. I like that they are focused on finding the practical solutions to real challenges. Some of the research is aimed at making the workplace safer. Some of the work is aimed at making it more efficient or making it more economical.

I look forward to more good work coming as a result of this Research Centre. This is a good motion, and I encourage all members of this Assembly to support this motion. I thank the member for bringing it forward.

Hon. Ms. Taylor: It is my privilege also to rise and say a few words in support of the motion put forward by the Member for Watson Lake. I just want to first go back to a few years ago, when we were talking about the importance of developing an action plan to address climate change in our territory and how that work led to a strategy and then eventually led to the action plan, which was launched back in 2009, about three years ago.

One of the key planks of the *Climate Change Action Plan* — there were four goals, one of which included to enhance our knowledge and understanding of climate change in the north. Of course, that went alongside with the other goals of adapting to climate change and taking action to reduce our greenhouse gas emissions and also taking Yukon as a leader, in terms of taking action in response to climate change.

All of these goals really fold into today's discussion because under the number one goal of enhancing our knowledge and understanding of climate change, it's absolutely critical when it comes to taking action to reduce what is occurring in our environment today and to take advantage of opportunities, as well, as a result of climate change coming out of that.

There were some comments made, I believe, by the MLA for Klondike just wondering where our government stands with respect to recognizing changes going on in Yukon's environment. I've always said for many years that addressing climate change is and continues to be a priority for the Government of Yukon and, in fact, that's why we came up with a plan that consists of some 33 various actions, and from that, of course, there are a number of initiatives underway to address climate change and all the changes that are happening in our environment.

It is no secret that we are experiencing many changes going on in our environment. We just heard some discussion about permafrost degradation and the impact that has had on our buildings, infrastructure, transportation corridors, even our communications, telecommunications infrastructure and other initiatives.

We talked about the Alaska Highway and the tremendous amount of research that is transpiring along that corridor in collaboration with the University of Alaska and the University of Laval, for example, and how the Department of Highways and Public Works is taking advantage of the opportunity to work with these various partners to come up with solutions so that we can also export those solutions, share them with our

counterparts in Alaska and many other circumpolar northern regions that are also experiencing many of the same initiatives.

Today's motion really speaks to just that. It speaks to the importance of Yukon College and how it has evolved into a hub of research excellence and how our government and previous Yukon Party governments have been key in helping expedite Yukon College's vision in this regard. I was very pleased to be Minister of Environment at the time when Yukon government was working in collaboration with the college and the Council of Yukon First Nations in opening up the doors of the Research Centre of Excellence.

We did this for the purposes of facilitating, coordinating and distributing research in the Yukon — really, ensuring that information gets to the people who need and will use it. I speak to those individuals here in the Yukon. It's no surprise that each and every year, there are a number of scientific permits that are issued by the Government of Yukon for researchers to come and exercise and conduct research on a myriad of different initiatives — from permafrost — like we were just talking about — transportation — to the changes in, for example, the spruce bark beetle and the impact that that is having on continuous northern tree populations, and the list goes on. So, for many years, we've had the opportunity of hosting these researchers. It really made a lot of sense for Yukon College to be able to evolve to the fact that we could become the hub of research, that we could actually, in fact, do a lot more to collaborate and coordinate our research efforts so that we wouldn't lose that.

We wouldn't be able to lose that as a result of researchers coming and going, but in fact, now researchers from all over the world can come to the territory and work within the college precincts or otherwise — and are able to facilitate that through a number of different databases that have also been made available, thanks to Government of Canada funding and so forth. This is with the intent of focusing on adaptation and, again, also further attracting future leaders in applied science to join the efforts here at home to find solutions and to benefit from well-designed research programs that have been in play for some time. Likewise, the creation of the Yukon Cold Climate Innovation is also very integral in helping to develop the research development commercialization centre for the export of new and innovative products and services. I think that we've been able to come a long way in terms of joining the efforts of many entities that are working in this regard throughout the territory, as I mentioned, to find those solutions here at home and to benefit from those programs that are delivered by researchers.

Connection with other researchers is absolutely integral, and likewise, we also continue to encourage that pan-north network approach to northern-based local field research, which encourages links between the centre of excellence and other Arctic research stations — stations throughout the circumpolar north, not just here at home in Canada — and also to provide that really important link between southern universities and research interests beyond that, throughout the world.

So, again, it's great. It encourages partnerships. It has been able to help leverage funding by being able to attract funding

from other programs. These investments also help to expand our knowledge base and energize the investment in the knowledge sector — the knowledge economy — as has been said.

I also recall that a couple of years ago when the climate change — or when the Research Centre was opening up its doors — as a result, they made reference to databases being made available. I know that the centre was able to actually be, as I understand, the first of its kind north of 60 to be able to link into a computer network called the Canadian Climate Change Scenarios Network.

It was really a computer node — I should say, it still is — to storehouse technical data used by researchers to study the impact of climate change and how northerners are adapting to it. So the Yukon server is part of a broader network of sites that provide these climate change scenarios data. Again, it is very important in terms of being able to build on our adaptation efforts and for building on what we were able to come up with through the *Climate Change Action Plan*.

As I mentioned, we have been able to leverage new funding from the Government of Canada; for example, to help in the cost of delivering new climate change research and how we can help support the development of these different scenarios as I referenced before — whether it's assessing vulnerability, the adaptive capacity of our forests, water resources — as well as completing this broader inventory of public infrastructure, whether it be roads or buildings, and providing that blueprint for steps forward after identifying those respective priorities.

So I just wanted to make mention of that item and to also make reference to a number of other satellite research nodes throughout the territory as well, one being in the Kluane country. The other one that comes to mind is Old Crow, as well. I recall that, a couple of years ago, the Government of Canada did inject a substantive number of dollars — I believe it was over \$2 million, if I'm not mistaken — toward the upgrade of some of these facilities so that we could also enhance their ability to continue to do their work in their respective regions, but also to feed into the research centre as well here in Whitehorse at the college.

All of this bodes very well for the future. It's good for our economy. It helps diversify our economic base and broadens — it makes us a very attractive place, a destination to live and to raise our families, and just provides that additional reason to do business here in the territory.

I'm very supportive of this motion and want to congratulate the ministers of Economic Development and Education for their continued work in seeing this vision continue to come to fruition and for providing long-term funding that will ensure the long-term sustainability of the knowledge sector here in the territory. Thank you.

Hon. Mr. Graham: I wasn't going to speak to this particular motion, but I heard a few comments from the initial speaker from the NDP actually that make it imperative that I speak. She mentioned that the college was established by an act from the — or the college was built where it is by an NDP government, but I go back a little bit further than that. It's due to the foresight of a Conservative government back in the mid-70s

that the land was set aside for a college for the territory. And then, to my lasting dismay, it took an NDP government to screw up the system that we had set in place. At the time that we set aside the last for Yukon —

Some Hon. Member: (Inaudible)

Unparliamentary language

Speaker: Member for Riverdale South, on a point of order.

Ms. Stick: I would just suggest that the language being used by the member across is less than parliamentary at this time.

Speaker: I'd have to agree with the member's comment. It is less than complimentary. Perhaps the minister could rephrase that.

Hon. Mr. Graham: Okay, thank you.

It then took an NDP government to really foul up the system that we had put in place. At the time, there was a great deal of land set aside for the use of education at the current college site and we expected at the time that it would then become endowment lands. It was never created as endowment lands. Instead, the *Yukon College Act* was put in place that, to this day, has several flaws that I hope will be repaired in the very near future. One of the good things that was accomplished during that time is the building was built on the top of the hill where it is today and I think that's one of the greatest assets that the city and the territory have.

It's very interesting to note that the Yukon Climate Innovation Centre and the Yukon Research Centre of Excellence — it was the first northern institution to receive Natural Sciences and Engineering Research Council of Canada eligibility status, which means that researchers working under research grants from that institution — and they provide future research grants across the country — are eligible to operate out of the Yukon Research Centre as part of the Cold Climate Innovation Centre.

It's also interesting to note that the Research Centre's cold climate innovation program a couple of years ago attracted a fellow by the name of Dr. Guy Doré — he was a leading Canadian permafrost researcher and I believe that he was also a professor from McGill University in Montreal — to undertake permafrost research on the north Alaska Highway. During his stay here, a course on permafrost in the Canadian north was developed in cooperation with Dr. Doré and folks at the Research Centre. It was taught to a number of professional engineers from a number of places across northern Canada, who came specifically to the Yukon to take Dr. Doré's course. That course was accredited by McGill University. It was a post-graduate course offered in the Yukon and it was a tremendous success.

It goes to show how the Research Centre and the Cold Climate Innovation Centre are able to leverage funding from other sources to provide an excellent service to the territory.

I had a couple of other things I wanted to add, but I won't at this time. I support this motion completely. I commend the Member for Watson Lake for bringing it forward. Having worked at the college for many years and seeing the development of not only the Research Centre, but the Cold Climate

Innovation Centre, and the progress that we have made in that area, including the funding that we received to build some of the buildings that are up there — I think that it's just a wonderful thing and I look forward to seeing it progress in the years to come. Thank you.

Hon. Mr. Cathers: I'd like to rise today in the House to speak in support of this motion and to thank the Member for Watson Lake for bringing it forward. I think one thing that should be highlighted in this is that investing in this area of research innovation and commercialization of cold climate technology is important, not only to strengthen and diversify the Yukon economy, but it provides us with the opportunity for the development of innovation and solutions and technology that fit the Yukon needs that help us adapt to climate change and that help us deal with the general challenges related to being in a cold climate.

Strengthening this area, through some of the work that has gone on, in particular at the Yukon Cold Climate Innovation Centre and Yukon Research Centre, play an important role in trying to facilitate a bit of a cluster of knowledge and innovation to encourage the private sector also to be focused on thinking of that themselves and to take the opportunity to work with the centre in developing technologies and ideas and putting them into action. So the Cold Climate Innovation Centre, through its programs, has had a number of projects that there has been work on. As members will know, the success in these fields is not always immediately measured in new technologies. Some new ideas and new solutions have emerged from this already, but simply having that focus of people coming from a scientific perspective looking to develop better technologies, creating that group of knowledge and that — for lack of a better term — “cluster”. I know it's a term that has been, to some extent, overused but if you look at areas where there have been research centres, they can, if they become successful, lead to real growth within the community around them and within the private sector around them — from people moving into an area, to scientists focusing within a physical area on working on solutions and ideas.

This is something that can contribute significantly to the Yukon economy. Particularly when one looks at issues like climate change, I think there's a tremendous opportunity for the Yukon to be a contributor to global knowledge in this area, because we have seen some of the effects of climate change in the Yukon and we have seen issues around permafrost melting. That work, both on the adaptation side and the cold climate side, has the potential to be a contribution to the world knowledge base, not just the Yukon's knowledge base.

I would like to point out a few accomplishments from the Yukon Cold Climate Innovation Centre over recent years. Being a relatively new group, they have become part of the national networks like the Association of Canadian Community Colleges, National Research Council of Canada's Advisory Committee — which is a group that supports research at colleges across the country. The Yukon Research Centre received its Natural Sciences and Engineering Research Council of Canada eligibility, becoming the first northern college in Canada to

achieve that distinction, and it also allows the Yukon Cold Climate Innovation Centre to apply in future for larger federal funding support through the NSERC program, as the acronym is, and this is an opportunity that really leverages additional dollars on the federal side — or I should say has the potential to leverage them — to really expand the work that is ongoing based out of the Yukon College site.

There has been some expansion and development of partnerships including the offering of an advanced permafrost course to the students of the Arctic Technology Centre in Denmark, for their research efforts in Greenland, which again is a small area, but it is something that provides the ability to share some of the work that we are doing with other areas in the world where research is occurring.

Alternative energy knowledge from the centre will also be shared with the Yukon government to help us with alternate energy technologies that can be used here in the Yukon. So, really the lessons learned and the experience gained from some of this work has the potential for really adding to our knowledge base going forward and being an important part of stimulating that research centre, that innovation and that effort to build that knowledge base and to look at ways to commercialize it. If you look at examples, one that springs to mind is some of the work that Northerm has done in their window manufacturing, and the different ways they proceeded with the manufacturing. It has expanded beyond the Yukon to other areas and has been of benefit not only to that company, but has improved energy efficiency in houses — not just in the Yukon, and contributing again to the overall picture of energy efficiency. The need to have properly insulated homes and energy efficient windows is perhaps more obvious and more needed in the Yukon in order to reduce the loss of heat through those windows, but only in areas of more moderate climate does that technology become commercialized and spread further. It allows other areas to reduce their energy needs as well, which may not be as dramatic on an individual basis in more southern climates but do contribute overall to improved energy efficiency and reducing both our energy use and carbon footprint across the country.

Again, that is just one small example, and in the interest of time, Mr. Speaker, I'm not going to spend a lot of time on the motion this afternoon, but I do think it's worth highlighting this; it's worth noting the fact that *Climate Change Action Plan* is very closely connected to the Yukon's energy strategy, which falls under Energy, Mines and Resources. The research, innovation and commercialization of cold climate technology also plays a very important role in minimizing the energy usage in Yukon homes and perhaps other applications as well.

These types of technologies, this work at the beginning and expanding the work that is occurring really have potential that I think will probably not be fully realized within the next short period of time.

Some of these things can see obvious short-term results, but really, in the longer term, if you look at areas where there has been a focus by universities or colleges or other research centres on specific types of research, that focus on research of a specific type and innovation of a certain type, can really lead to

long-term benefits to that jurisdiction and that community through attracting people in those fields to that area to work together as part of a group based out of that hub.

I'll be relatively brief in my comments here in light of the time. I want to thank the Member for Watson Lake for putting this motion forward. I appreciate the indication from the members across the floor of their support for this motion. I think that passing this motion — I hope it will be unanimously passed by this House — is an important message from the Legislative Assembly to people in these fields about the recognition of the importance of research, innovation and commercialization of, particularly, the cold climate technology mentioned in this motion, but also of other types of research, other types of technology.

With that, I commend this motion to the House.

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

Ms. McLeod: I'm very happy to see that all members of the House are supporting this motion. Our investment in technology, and especially cold climate research, has the potential to affect each one of us and improve our quality of life while, at the same time, lessening our impact on the environment, so I thank you.

Speaker: Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Pasloski: Agree.

Hon. Mr. Cathers: Agree.

Hon. Ms. Taylor: Agree.

Hon. Mr. Graham: Agree.

Hon. Mr. Kent: Agree.

Hon. Mr. Nixon: Agree.

Ms. McLeod: Agree.

Hon. Mr. Istchenko: Agree.

Hon. Mr. Dixon: Agree.

Mr. Tredger: Agree.

Ms. Moorcroft: Agree.

Ms. White: Agree.

Ms. Stick: Agree.

Mr. Elias: Agree.

Mr. Silver: Agree.

Clerk: Mr. Speaker, the results are 15 yeas, nil nays.

Speaker: The yeas have it. I declare the motion carried unanimously.

Motion No. 81 agreed to

GOVERNMENT BILLS

Bill No. 5: *Third Appropriation Act, 2011-12* — Second Reading

Clerk: Second reading, Bill No. 5, standing in the name of the Hon. Mr. Pasloski.

Hon. Mr. Pasloski: I move that Bill No. 5, entitled *Third Appropriation Act, 2011-12*, be now read a second time.

Speaker: It has been moved by the Hon. Premier that Bill No. 5, entitled *Third Appropriation Act, 2011-12*, be now read a second time.

Hon. Mr. Pasloski: I'm pleased to introduce Bill No. 5, *Third Appropriation Act, 2011-12*, also referred to as the 2011-12 *Supplementary Estimates No. 2*, to this First Session of the 33rd Legislative Assembly. As identified in the *Third Appropriation Act, 2011-12*, the 2011-12 *Supplementary Estimates No. 2* provides sums required of \$7,573,000. These sums required are offset by sums not required of \$10,062,000. Members of the Legislature will have noted that a special warrant was issued March 7 in the amount of \$7,573,000. Not coincidentally, the amounts authorized by the special warrant are identified in the *Third Appropriation Act, 2011-12*.

Members opposite may appreciate that through this *Third Appropriation Act, 2011-12*, the Legislature will be debating and considering those additional expenditure items previously included in the special warrant. While the Legislature conducts its business, the amount authorized by special warrant ensures that government officials have the requisite legal authority to make the expenditures delegated and entrusted to them. Ministers who are requesting supplementary budget approval will be pleased to provide members of the Legislature with the complete details of their expenditure requirements in the department-by-department, line-by-line review in general debate.

Today, I will limit my comments to a few major themes that will be of interest to the Legislature. I will take this opportunity to provide a very brief overview of what this supplementary estimate means to the Yukon government's summary financials. As noted previously, this supplementary calls for sums required of \$7.573 million and those are offset by sums not required of \$10.062 million for a net expenditure of reduction of approximately \$2.5 million. Total revenues have increased by \$4.527 million. After making the necessary adjustments to appropriately reflect the Yukon government's accounting policies — which are in accordance with the public sector accounting standards, as required by the *Yukon Act* — we are reflecting an anticipated annual surplus for 2011-12 of just over \$29 million and forecast year-end net financial resources — that is, as of March 31, 2012 — of almost \$49 million. We are fiscally healthy.

As I have stated previously, our government is in a position to effectively respond to the potential emerging priorities and pressures that accompany a growing and prosperous economy. As our government has done in recent years, we have taken the opportunity to identify at *Supplementary Estimates No. 2* those capital projects for which there are significant anticipated lapses and include those amounts in the 2012-13 main estimates.

These adjustments can be considered early revotes. Reflecting these at this time serves to establish appropriate vote authority early in the 2012-13 fiscal year, ensuring that departments have the necessary spending authority as projects progress through the summer months.

While individual ministers will be pleased to provide more detail on these adjustments during general debate, three projects immediately come to mind where \$7.785 million is identified as sums not required for the 2011-12, but are included in the 2012-13 budget.

Each of the Dawson City sewage treatment and district heating project, the electronic health records project and the arrest processing unit, previously called the secure assessment centre project. — these remain significant projects for our government. We are utilizing the 2011-12 *Supplementary Estimates No. 2* and 2012-13 main estimates to allocate budgets to the appropriate year to ensure that the work can continue uninterrupted on these investments. In total, approximately \$9.7 million of the identified amounts as sums not required are included in the 2012-13 budget. As I noted, individual ministers can provide further information during general debate. Obviously, a significant reason for tabling supplemental estimates is to provide the Legislature the opportunity to consider those departments requiring changes to their spending authority. This second supplementary for 2011-12 provides that opportunity.

As I mentioned earlier, the *Third Appropriation Act, 2011-12* provides for a total of \$7.753 million increased spending authority for various departments, the majority of which is allocated to the Department of Energy, Mines and Resources and Department of Environment, with net increases of \$2.031 million and \$3.2 million under their respective operation and maintenance votes. These increases support the ongoing efforts of Energy, Mines and Resources and Environment as stewards of the environment. In the case of Energy, Mines and Resources, an additional amount of just under \$2.6 million is provided in the 2011-12 with respect to remediation efforts related to the type 2 mine sites. This is a tremendous undertaking where, in conjunction with Canada, the Department of Energy, Mines and Resources has a significant role in reducing, minimizing, and preventing risk to human health and the environment resulting from the historic mining activities at these sites. I will take this opportunity to observe that the remediation of these sites is a multi-year effort.

I remind members that one of the highlights of my 2012-13 budget speech was the increased allocation over 2011-12 main estimates of almost \$25 million for type 2 mine site remediation, bringing the total for 2012-13 to almost \$50 million. These are significant investments. I do, however, recognize that this is work that will take time; having said that, I, for one, am pleased by the progress that is being made.

Moving on to the Department of Environment — this *Supplementary Estimates No. 2* reflects \$3.150 million that is to be recorded in recognition of environmental liabilities identified for the 2011-12 fiscal year. While the minister will be pleased to discuss the details during general debate, I will take this opportunity to once again note that our government continues to appropriately recognize our environmental liabilities in accor-

dance with the requirements of the Auditor General. In order for the government to appropriately recognize an estimate for our environmental liabilities, the assessment work needs to be done in advance. This does make it very difficult to budget for liability recognition. By matter of convention and courtesy to the Legislature, the Yukon government has adopted the practice to identify a line item of one dollar for environmental liabilities. One dollar signals to the Legislative Assembly that there is likely to be some as yet unknown future requirements to be brought forward when appropriate for consideration by the Assembly.

Following the assessment work undertaken by the Department of Environment throughout the year, we have a revised estimate of our environmental liabilities, requiring the Government of Yukon to appropriately recognize an additional \$3.15 million in the 2011-12 fiscal year. This approach is consistent with the adopted practice of the Yukon government and will satisfy the requirements of the Office of the Auditor General in fulfilling our obligations to record environmental liabilities.

A number of other departments are seeking revision to their spending authority. However, in the interest of time, I will cut my comments short, but again note that individual ministers will be pleased to provide detail during debate for their respective portfolios.

Earlier in my comments, I observed that the Yukon government is in a strong financial foothold. This is indeed the case. We continue to project an annual surplus for 2011-12 of just over \$29 million and our net financial resource position is forecast to be approximately \$49 million at the end of the year, March 31, 2012.

Net financial resources are the most important indicator of a government's fiscal health and our net financial resources position is enviable. While most provincial and territorial governments have net debt, meaning they owe more than they are currently capable of paying, this is not the case in the Yukon. We have the cash and other financial assets to pay off all our obligations. This is significant, as it allows our government to be flexible in timing our investment decisions. Our very healthy net financial resource position has provided us and will continue to provide our government the opportunity to make significant capital and program investments to the benefit of all Yukoners. Our strong net financial resource position speaks to the future as we move through our mandate.

We look forward to leading Yukon through the various challenges that we may face. I am proud of the Yukon Party's achievements. We, as Yukoners, continue to be well-positioned for the future. As I have indicated throughout my comments, ministers who are requesting supplementary budget approval will be pleased to provide members of the Legislature with the complete details of their expenditure requirements in the department-by-department, line-by-line review in general debate.

Thank you, Mr. Speaker. As Minister of Finance, I commend these supplementary estimates for consideration by the Legislative Assembly.

Ms. Moorcroft: It is my pleasure to rise in general debate on the second supplementary for 2011-12 on behalf of the Official Opposition.

It's interesting that the special warrant was issued just days before the Legislative Assembly convened when the government had brought forward a supplementary budget only in December. So let's look now at what this supplementary does.

As the Minister of Finance indicated in his remarks, there is no change to a modest surplus of \$29 million and there's an increase in net financial resources to \$49 million, achieved through restating the amount that capitalized assets are depreciating. This would be largely due to a reduction in the capital budget by \$9 million.

The operation and maintenance budget is up nearly \$7 million, \$2 million of which is in recoveries. The O&M increases we see are in Environment at \$3.2 million; Energy, Mines and Resources of \$2 million, which is all recovered; for Education, a \$1-million increase in public schools; Yukon Housing Corporation, \$500,000; and Community Services, \$500,000.

Environment's budget increase is largely due to a \$3-million increase for environmental liabilities and remediation. I will review the *Hansard* record to see the Minister of Finance's remarks and whether he covered all the areas that we will want information for. I wonder if our remediation regime and the security held for remediation is adequate to prevent future Faros. This is important now that the Yukon has assumed full liability for the mines licensed in the current boom period.

It's interesting to note that the government, despite the increases in this supplementary, is spending less on the Department of Environment for 2011-12 fiscal year than it is forecast to have spent in the 2010-11 fiscal year. I'm curious to hear an explanation for this, given the Premier's statement in the House during his budget speech of the increasing pressures on the environment for more exploration and development. Is the Department of Environment properly funded to safeguard our water, land and wildlife in this period of greater pressure?

I notice significant deductions in land claims and implementation secretariat of \$488,700. I want to hear more about this.

The implementation of our final agreements is an important topic these days, given the government's controversial positioning on the Peel and the shadow it casts over land use planning, which, of course, was a key element of settling Yukon land claims. Again, the Premier mentioned in his budget speech the importance of settling land claims in terms of the current prosperity.

Energy, Mines and Resources O&M increases amount to \$2.3 million to the oil and gas and mineral resources budget. I'm curious about how many more full-time equivalencies or FTE positions this is. How many more mine inspectors are there?

In information technology, there is almost \$1 million less in the information and communications technology, Highways and Public Works budget for 2011-12 than was forecast for 2010-11. Given the importance of information technology, why is this?

The capital budget is down just over \$9 million, and \$7 million would have been from recoveries. These declines of \$3 million are found in Community Services; Health and Social Services of \$2.8 million; Justice, \$2.3 million; Yukon Housing Corporation, \$1 million.

Looking at significant reductions in capital, there are delays in the Dawson sewage treatment and district heating. Has that been what reduced the Community Services capital budget? I'd like to hear why this is and get an update on this project.

There's a capital reduction of \$2.4 million for the Canada Health Infoway, which are electronic health records. Is this a contribution from Canada? I'd like more information about this, the new timeline, what is hoped is achieved and whether new efficiencies will be created which will save health care dollars.

There is a capital reduction of \$2.4 million for Justice — the arrest processing unit — much of which was to come from Canada. Why is there a delay on these expenditures?

There is also a capital reduction of \$1 million for Yukon Housing Corporation under "Joint Ventures" under "Affordable Housing." This would be a recovery from Canada. It's troubling to see a reduction in the Housing Corporation budget, particularly given that there are \$13 million for affordable housing sitting in the Yukon government's bank account.

Revenues are up \$4.5 million. This is largely due to increases in taxes, which are offset by declines in capital funding recoveries. Corporate income taxes are up \$5 million and personal income taxes are up \$1.1 million. I would like to hear what explains this rise and whether any of this can be attributed to extractive resource development and exploration.

I don't want to spend a lot of time in general debate. I will be the only speaker for the Official Opposition caucus at this time. This supplementary budget is small compared to the nearly \$1.2-billion 2012-13 main estimates, to which we need to devote much of our collective attention.

There has been a worrying trend in recent years with this Legislative Assembly not thoroughly debating huge amounts of government spending. Just to take a look at the numbers for a moment: in the main estimates for 2009-10, which is a \$1.003-billion budget, 27 percent of that budget was not debated, for a total of \$273 million. The departments not debated were the Executive Council Office, Justice, Yukon Housing Corporation, Community Services, the Yukon Liquor Corporation, the Yukon Development Corporation, the Ombudsman, the Elections Office, and the Yukon Legislative Assembly.

For the main estimates of 2010-11, there was a \$1.075-billion budget and 46 percent of that budget was not debated — a total of \$460 million. The departments that were not debated in the 2010-11 main estimates were Public Service Commission, Justice, Finance, Yukon Housing Corporation, Yukon Liquor Corporation, Yukon Development Corporation, the Ombudsman's office, the Elections office, Environment, Energy, Mines and Resources; Highways and Public Works, and the Child and Youth Advocate office.

For the main estimates of 2011-12, that was a \$1.09 billion budget and 20 percent of that was not debated — \$293 million.

The departments that were not debated in 2011-12 are the Public Service Commission, the Executive Council Office, Finance, Yukon Housing Corporation, Yukon Liquor Corporation, Yukon Development Corporation, the Ombudsman's office, the Elections office, Highways and Public Works, and the Child and Youth Advocate office.

Mr. Speaker, during our Official Opposition's ongoing tour through the Yukon, talking to and listening to citizens' concerns and priorities, Yukoners were shocked to hear that so much money is spent without proper scrutiny by MLAs in this Assembly.

The board of directors of a business would not approve a billion-dollar budget plus without thorough debate, and the Yukon public wants to see their representatives working hard to provide oversight and ensure their money is spent wisely and responsibly. It is incumbent on all members in this Assembly to work together and organize our time well so that we can debate the territory's finances. We can't continue the practice of the last three years of skipping debates on entire departments.

We look forward to moving into Committee of the Whole debate when we can ask questions and get more detail from the government on these supplementary estimates. Thank you.

Mr. Elias: It's a privilege to rise on behalf of the Liberal Caucus to participate in the general debate on *Supplementary Estimates No. 2* for 2011-12. I'm going to be very brief in my comments, and seeing the time, I had better start talking.

When the government's expected revenues and expenditures change through the course of the year, the supplementary budget adjusts for those changes. As MLAs, we must answer to our constituents about how their government is spending their money. We must also answer to them about how the government's plans for their money have changed over time, which is why I rise today to speak to the supplementary estimates tabled in the House this week.

This supplementary budget includes both expenses that were higher than expected and expenditures that were planned, but never took place. Both situations require comment, and I will start with the government's cost overruns.

The government failed to control operation and maintenance costs in several key areas. Combined, the Yukon Housing Corporation and the Departments of Community Services; Education; Energy, Mines and Resources; Environment, and Health and Social Services went over their budgets by over \$7 million. Allow me to be clear, these departments do excellent work and we support their personnel in their efforts. They must have adequate resources to do that important work, but we must determine what those resources are ahead of time — before we spend the money — instead of playing catch-up through supplementary budgets.

Similarly, there are expenditures that didn't ultimately take place when they should have. That is because, although the government promised to get the project done, they failed to undertake them or complete them. As a result, the budgeted money didn't get spent. That is poor project management and not good financial management. Capital lapses took place in Community Services, Justice, Yukon Housing Corporation,

Health and Social Services, and Highways and Public Works. Those totaled over \$9 million.

Projects included in that amount are ones that didn't proceed as anticipated in the original budget. They include the delayed Dawson City sewage treatment and district heating. Almost a quarter of that project's work didn't get done as promised. Similarly, \$2.4 million wasn't spent on an electronic health records project in Health and Social Services. The government members will remember the former Auditor General of Canada's concerns: "The department does not have a comprehensive health information system to collect complete and accurate health data." The Auditor General also noted: "The department's systems aren't compatible with each other and the department does not integrate this information." Clearly, there is a need to respond to this shortcoming and it's disappointing that the government failed to do so.

In the Department of Justice, the government failed to complete the arrest processing unit, as promised. In that case, 60 percent of the project's budget wasn't spent, which tells us the degree to which the government has failed to deliver on this item.

In closing, while the concerns I raised earlier are serious, I will conclude by commending the government on the relative accuracy of their 2011-12 surplus and accumulated surplus estimates. In past years, the main budget has promised surpluses and Yukoners have been sorely disappointed with deficits eventually handed down to them.

The Yukon government benefits from hugely generous federal transfer payments, and last year, the government produced a mere \$135 million in own-source revenues. Eighty-eight percent of the budget was paid for by others, mostly Ottawa. With such a generous allowance, there is no excuse for the recent deficits Yukoners have had to bear and I hope that we will see no further deficits from this government. I also look forward to getting into the details with individual ministers in Committee of the Whole.

So I thank you, Mr. Speaker. Those are my comments for today.

Hon. Ms. Taylor: Mr. Speaker, I just wanted to add a few comments in support of this particular bill that is before the Legislative Assembly. I appreciate hearing the interesting remarks coming from members opposite. Housed within all of our respective departments are a number of very important expenditures, including my own Department of Community Services. I think that if you look at each of their respective expenditures in response to the members across the way and some of the comments that have been made, the Premier has already outlined in great detail some of the expenditures and some of the rationale that culminate in bringing forth this supplementary budget. This is part of governing.

I can say with great pride that I thank and extend our heartfelt gratitude to each of the public servants who have put a lot of time and a lot of effort into assembling budgets such as these and for ensuring that budgets are brought on time and on budget. A number of circumstances have to do with perhaps not being able to meet that particular project timeline and, of

course, we'll get into each of the specific departments when it comes up for debate when we get into further general debate.

I just wanted to say, in the Department of Community Services, however, that there are expenditures for water supply upgrades for Old Crow — something that has been in the works for some time and, in fact, when you take a look at that expenditure and the expenditure that is housed within the 2012-13 budget, as well — the capital estimates — it's just shy of \$5 million, if I'm not mistaken. That is to go toward drinking water upgrades and solid-waste improvements and additional monies for rural roads.

Many of these projects have been in the works for some time. It takes planning, design and then ultimately going into construction, but for a number of factors it may require additional monies or it may require additional time to be able to complete the project on time and on budget.

Mr. Speaker, seeing the time, I move that we adjourn debate.

Speaker: It has been moved by the Minister of Community Services that debate be now adjourned.

Motion to adjourn debate on second reading of Bill No. 5 agreed to

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 stands adjourned until 1:00 p.m. tomorrow.

The House adjourned at 5:30 p.m.

The following Sessional Papers were tabled March 21, 2012:

33-1-30

Department of Education Annual Report 2010-2011 Academic Year (Kent)

33-1-31

Yukon College Annual Report 2010-2011 and Audited Financial Statements (dated December 10, 2011) prepared by the Office of the Auditor General of Canada (Kent)