

**Yukon Legislative Assembly****Whitehorse, Yukon****Tuesday, November 6, 2012 — 1:00 p.m.**

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

*Prayers***Withdrawal of motions**

**Speaker:** The Chair wishes to inform the House of a change which has been made to the Order Paper. Motion No. 14, standing in the name of the Member for Mayo-Tatchun, has been removed from the Order Paper at the request of that member.

**Speaker's statement re: withdrawal, retraction or apology for unparliamentary language**

**Speaker:** Prior to proceeding with the Order Paper, the Chair will make a statement about an event that occurred yesterday during second reading debate on Bill No. 7.

During the speech of the Leader of the Third Party, the Leader of the Official Opposition raised a point of order about comments made by the Leader of the Third Party about her. During the discussion of the point of order, the Leader of the Official Opposition used unparliamentary language. The Chair asked the Leader of the Official Opposition to retract and apologize for the use of unparliamentary language.

The Leader of the Official Opposition offered an apology, which the Leader of the Third Party accepted.

Nonetheless, the Chair has reviewed the Blues regarding this incident and wishes to make a statement about it.

When the Chair asks a member to withdraw, retract or apologize for something they have said, that withdrawal, retraction or apology should be unqualified. This is not an opportunity for the member to restate, rephrase or justify the offending words.

In dealing with the point of order yesterday the Chair accepted a withdrawal that was qualified, one in which the Leader of the Official Opposition rephrased the words that had been ruled out of order. The Chair should have interrupted the Leader of the Official Opposition after she had offered the apology and before she qualified it.

This House does not have a lot of experience with the type of language used by the Leader of the Official Opposition yesterday. However, I can assure all members that, in the future, the Chair will only accept unqualified retractions, withdrawals or apologies for the use of unparliamentary language.

**DAILY ROUTINE**

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

**TRIBUTES****In recognition of Canadian Armed Forces and Veterans' Week**

**Hon. Mr. Pasloski:** I rise today on behalf of the government and on behalf of the Independent Member for Vuntut

Gwitchin. I rise to pay tribute to the men and women of the Canadian Armed Forces who have served, fought and died for our country, and to pay tribute to Veterans' Week.

Each year, from November 5 to 11, Canadians join together to participate in remembrance. This year, for Veterans' Week, we are asked to make remembrance more than something we feel, but also, something we do. Many of us will wear poppies as a reminder. Some will attend Remembrance Day ceremonies on Sunday and pause for a moment of silence.

This year, I encourage everyone to take the time to do something extra to remember: talk to a veteran, such as yourself, Mr. Speaker, or the Hon. Minister of Highways and Public Works, and ask them to share their experiences; connect with a friend or family member who has served in the Canadian Forces and thank them for their service; follow Veterans Affairs on social media or show the poppy on your own social media accounts.

The poppy is a powerful symbol recognized around the world as a symbol of collective reminiscence, of common history, of sacrifice and commitment. Veterans deserve to be recognized and appreciated this week, not only because they have served our country, but also because the work they often do continues to contribute to our communities.

This year you, Mr. Speaker, were honoured with the Queen's Diamond Jubilee medal for your work with the Royal Canadian Air and Army Cadets. Minister Istchenko continues to serve as a Canadian Ranger. Your dedication to these programs shows how important veterans are in our communities.

Together in this Legislature, it is important to acknowledge and show respect for our Canadian veterans. Most importantly, we must never forget.

This Veterans' Week I encourage you to make remembrance something that you do.

**Ms. White:** I rise on behalf of the Official Opposition to pay tribute to Veterans' Week. Each year, from November 5 to 11, Canadians join together to celebrate veterans and their accomplishments. These six days leading up to November 11, Remembrance Day, gives us the opportunity to make remembrance something more than what we feel; it's a chance to make it something we do.

Without the experience, how can we remember what we haven't known? For many, their ideas of war stem from Hollywood images. We've become desensitized to the realities of war through images and movies and video games. We have all had the chance to study aspects of Canadian history in schools, but the vast majority of us, especially young people, have no first-hand or even second-hand knowledge of war, and for that we are thankful.

We live in the most amazing country in the world, full of freedoms and opportunities that we often take for granted. Canadian veterans understand how we arrived here, and they do not take our situation for granted. These brave men and women answered a call deep inside themselves to help. They sacrificed all they knew, all they loved, in order to defend the rights and freedoms of others. Too many have returned home with physical injuries; even more have come home with invisible wounds

— wounds so deep that they can never escape them. And others never made it home at all. These heroes among us know the price that was paid for our freedom and they want us to share in this understanding.

Canada has a reputation for being a peace-loving nation. We have shown this every time our troops have been sent to help protect the human rights, freedoms, and justice of others around the world. When we think about our efforts in times of war and peace, we come to realize that our national desire to help is never motivated by greed, power or threats. You might not agree with the political decision to participate in a conflict, but you must respect the brave men and women who are willing to sacrifice everything they are for Canada.

Although many of us can't actually remember war, there are many around who can. We owe it to those who have served to learn, understand and be thankful for the tasks that they've undertaken and to not forget the lessons we've learned at their expense.

Through their courage, determination and sacrifice, generations of Canadian veterans have helped to ensure that we live in a free and peaceful country. If we understand this, how can we not stop and take the time and say thank you?

Now more than ever veterans are passing the torch of remembrance to us — to the people of Canada. They want to ensure that the memory of their efforts and sacrifices will not die with them and that an appreciation of the values they've fought for will live on in all Canadians long after they are gone. We owe it to them to never forget.

However we choose to remember this Veterans' Week, we should be sure to share it with everyone we know. It is our duty and privilege to pass on the heroic legacy and to keep the memories of our Canadian veterans alive. Thank you.

**Mr. Silver:** I rise today on behalf of the Liberal caucus to pay tribute to our Yukon veterans and to all veterans during Veterans' Week, November 5 to 11. Every year Canadians join together and recognize the achievements of our veterans and honour those who have made the ultimate sacrifice. Veterans' Week is an opportunity to thank all of those who have served and are serving in our armed forces and civilian support services.

We as Canadians recognize the commitment made by our service men and women and their families. Along with past generations of veterans, they have made many sacrifices in the name of peace and freedom.

Veterans are ordinary men and women who do extraordinary things when we need them the most. They suffer the hardships, injustices and horrors of war, and many have paid the ultimate price, all for our freedom. The freedoms we enjoy today in Canada are only a dream to many people in the world who live in countries torn apart by violence. Canada's veterans have ensured the protection of our country and the promotion of peace around the world.

As most people in Canada today have never experienced war, remembrance can become a challenging concept to incorporate. Veterans know the price paid for our freedoms and they want all Canadians to share in this understanding. They are

passing the torch of remembrance to us to ensure the memory of their efforts and sacrifices will not die with them and the values they fought for will live on in all Canadians.

Together it is our duty to pass on the legacy and keep the memories of our Canadian veterans alive. We owe it to those who have served to learn, understand and appreciate what those who have served in Canada's time of war, armed conflict and peace stand for, and why they have sacrificed for their country.

We owe a debt of gratitude to all of our veterans to carry their torch and to never forget. As the 11<sup>th</sup> hour on the 11<sup>th</sup> day of the 11<sup>th</sup> month approaches, we stand in remembrance of those men and women. We honour their memory and give them the recognition that they so rightly deserve, and never forget the costs of the freedom we enjoy today. We remember, not only this week, but each and every day of our lives, lest we forget.

### In recognition of Media Literacy Week

**Hon. Mr. Kent:** I rise today on behalf of my government colleagues as well as the Independent Member for Vuntut Gwitchin to pay tribute to Media Literacy Week.

Media are powerful forces in the lives of our youth. The theme of this year's Media Literacy Week is "Privacy Matters", shining a spotlight on the privacy, knowledge and skills that youth need for their on-line activities.

Our young people spend their time text messaging, instant messaging, blogging, using Facebook, shopping on eBay, visiting chat rooms and managing personal websites. They have mastered these new technologies effortlessly and now spend their time multi-tasking through a complex mix of sound, graphics, texts and images. They have become experts at managing, creating and distributing digital information.

It is important that this expertise is accompanied by critical thought about the trade-offs we all make on a daily basis between maintaining our privacy and gaining access to information services. The Department of Education's technology assisted learning unit is coordinating a unit of teachers, department staff, and administrators to develop a digital literacy curriculum for grades K through 12.

We recognize the importance of giving students the tools they need to protect themselves and to think critically about the media they consume on a daily basis.

Media Literacy Week educates students about the risks of giving out personal information on-line. It challenges them to consider and debate the importance of privacy relative to other concerns, such as security and access to on-line services. It also helps them understand the possible consequences of posting photos, personal information and messages.

In closing, today's easy access to web publishing tools have made it both more challenging and more important to ensure that Yukon students possess the skills needed to protect themselves when engaging with all forms of media.

I pay tribute this week in particular to encourage the integration of media literacy into all Yukon schools, homes, and communities.

**Ms. Hanson:** I rise on behalf of the Official Opposition to pay tribute to Media Literacy Week.

The concept behind this week is to promote media literacy as a key in the education of young people. Today, our children and youth are growing up in a hypermedia culture where there is the appearance that all actions, all statements, can instantly become viral and disseminated throughout the world. We must walk cautiously in this world, which can seem like a constant state of surveillance, where fame is glorified and truth glossed over.

As the creators of Media Literacy Week said, “To be media literate in this new environment, young people need to develop knowledge, values and a range of critical thinking, communication and information management skills”. These are the skills essential to our democratic literacy as well, and we must constantly hone these skills in order to be good citizens.

The engaged citizen asks questions about government decisions. They ask who gains and who loses. They ask to hear the rationale behind a decision. The engaged citizen asserts that all must have the information to make informed choices and that we must be more transparent and keep fewer secrets.

Media Literacy Week presents the challenge to us all to know that, through the media, we can be good citizens, and we can create good governments through offering our own hearts and minds and our collective work as we engage with our neighbours.

**Mr. Silver:** I rise today on behalf of the Liberal caucus to pay tribute to Media Literacy Week. Media Literacy Week was conceived in 2006 under the name “National Media Education Week” to promote media literacy as a key component in the education of our young people and to encourage the integration and practice of media education in Canadian homes, schools and communities.

This year’s theme, “Privacy Matters”, shines a spotlight on the privacy, knowledge and skills that youth need for their on-line activities. Privacy does matter to youth as they want their skills to manage their personal information. As an educator, I know how important it is to help them open their eyes and use their personal judgment to stay in control of their personal information and ultimately, their reputations.

Media Awareness Network — MNet — is a Canadian non-profit media education organization that hosts a website containing hundreds of free lesson plans to help teachers integrate media into the classrooms. MNet has also conducted original research on media issues and, most notably, the study, *Young Canadians in a Wired World*.

In today’s electronic society with Internet, Facebook, Twitter, YouTube, LinkedIn — and it goes on, Mr. Speaker — our youth are immersed in media and these are powerful forces in their lives. We must provide the necessary tools and education to help protect our youth.

We would like to thank and congratulate the many teachers, schools and organizations in promoting media literacy and awareness to our youth. Thank you, Mr. Speaker.

**Speaker:** Introduction of visitors.

## INTRODUCTION OF VISITORS

**Speaker:** The Chair would like to introduce Sam Johnston from Teslin. Not a stranger to this House, Sam was an MLA and the Speaker from 1985 to 1992. It’s always a pleasure to have you here, sir.

*Applause*

**Hon. Mr. Graham:** I would like to introduce a couple of folks who were former colleagues of mine at Yukon College and have since retired. Barb and Alex Pratt are here today as they have been almost every day during this session. There may be something to be said about retired people having fewer things to do.

*Applause*

**Mr. Silver:** I’d like to rise and ask all members to help me welcome a former Liberal MLA and a true mentor to me, Mr. Don Inverarity.

*Applause*

**Speaker:** The Chair would also like to add that Mr. Inverarity’s son is currently serving in the Canadian Armed Forces in the Navy. I believe he is still a leading seaman, and Don’s father was a World War II veteran and received a Distinguished Flying Cross, which a number of years ago I had the privilege of talking about at the Remembrance Day services. I said that if we consider our veterans to be heroes, the recipient of the Distinguished Flying Cross is a hero’s hero.

*Applause*

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

Are there any reports of committees?

Are there any petitions?

Are there any bills to be introduced?

Are there any notices of motion?

## NOTICES OF MOTION

**Ms. McLeod:** I give notice of the following motion:  
THAT this House urges the Government of Yukon to engage First Nations and renewable resource councils to implement the recommendations set out in the 2011 *Yukon Wolf Conservation and Management Plan*, which addresses concerns over the management of wolves in Yukon through small-scale, local approaches and respects roles identified in the Yukon land claims agreements.

**Mr. Hassard:** I give notice of the following motion:  
THAT this House urges the Government of Yukon to continue to work collaboratively with the Canadian federal, provincial and territorial governments through the Canadian Council of Ministers of the Environment to encourage an industry-led initiative that will reduce packaging in Canada and will include the following four specific commitments by industry:

(1) continuing to eliminate polyvinylchloride, more commonly known as PVC, from rigid-plastic packaging. PVC is a

key contaminant in plastic recycling and its elimination will improve recyclability and reduce waste to landfills;

(2) developing a database on the current use of packaging in Canada by 2014. These data will serve as a benchmark for industry to set future targets, timelines and reporting requirements;

(3) developing a voluntary packaging design guide based on Éco-Enterprises, Quebec's voluntary code and other international standards; and

(4) improving communications with the public on packaging reduction.

**Ms. Stick:** I give notice of the following motion:

THAT this House urges the Government of Yukon to make government business more open and transparent by:

(1) stopping its current attempt to amend the *Access to Information and Protection of Privacy Act* that would restrict public access to information;

(2) proactively disclosing documents and public information across government; and

(3) proposing amendments to the *Access to Information and Protection of Privacy Act* to increase access to information while protecting privacy only after consulting with the public, media organizations and information and privacy experts.

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

THAT this House urges the Government of Yukon to ensure a supervisor is in place in order to allow international medical graduates to practise in the Yukon while they are obtaining their Canadian certification.

I give notice of the following motion:

THAT this House urges the Government of Yukon to call Bill No. 49, *Act to Amend the Oil and Gas Act, 2012*, for debate without delay.

I give notice of the following motion:

THAT this House urges the Government of Yukon to award grade 12 excellence awards based upon 80 percent of the final course mark to ensure that Yukon students are not penalized for the recent termination of standardized exams.

**Speaker:** Is there a statement by a minister?

This then brings us to Question Period.

## QUESTION PERIOD

### Question re: Physician recruitment and retention

**Ms. Hanson:** It's no secret that too many Yukoners are without a family doctor. My office is contacted several times a day by people who are worried about the loss of their doctor. In 2006, the government announced a \$12.6 million physician recruitment fund. Since then, another \$8 million has been poured in. Despite best intentions, those investments in recruitment don't seem to be getting results.

At the same time, international medical graduates already practising in the territory are being forced out. This is due

largely to an exam requirement that they cannot reasonably meet while also serving their patients.

My question: What has the minister done to evaluate the large sum of money used in doctor recruitment that doesn't seem to get results and can he confirm that the many measures outlined by him yesterday for doctor retention also apply to international medical graduates?

**Hon. Mr. Graham:** I must point out first of all that the Leader of the Official Opposition is incorrect in one of her assumptions and that was that the money being poured into — as she put it — physician recruitment is only being done for recruitment; that's not accurate. That funding is also for retention of physicians and in fact, probably the vast majority of the funding goes toward retention of physicians.

We are all aware that there is a shortage of physicians for orphaned patients here in the Yukon and I'm pleased to say that since January seven new physicians have chosen to make their home in the Yukon. We realize that isn't a large enough number to service all of the patients in the territory — we're well aware of it. We're taking steps to address that.

At the present time, it seems as soon as we get a new physician in the city their schedules fill up, and it's something that we're trying to work to alleviate.

**Ms. Hanson:** I believe the minister does care about this issue. I don't doubt his sincerity. Yet I do question whether or not the leadership he is showing on this issue is being supported by the government. The doctor recruitment and retention strategy isn't working, and we're losing trained international medical graduates already working as Yukon doctors to provinces where they are not forced to jump through additional exam hoops. These international medical graduates have hundreds and sometime thousands of patients, and they and their families are part of our community. We simply cannot afford to lose them.

What will the minister do to fix the broken doctor-recruitment system and ensure international medical graduates already practising in the territory aren't forced out?

**Hon. Mr. Graham:** Once again, I have to correct the Leader of the Official Opposition. We're not forcing these physicians out of the territory. The way the system works is quite simple: international medical graduates are given a special licence to work in the territory for a five-year period. Part of the requirement for that special licence is to obtain CCFP — the Canadian medical exam — during that five-year period. All of the international medical graduates who come to this territory are aware of that requirement and we're not doing anything unusual.

The other point that the member opposite made is they can move simply to another province and be fully qualified in their positions. That is not correct. What's happening is that once an IMG — international medical graduate — spends five years in the territory they can then move to another jurisdiction which has the same rules as us and spend five years there doing the same thing — working under a special licence and attempting to obtain their Canadian medical permit.

**Ms. Hanson:** I think we should note when that five-year target came in, in 2006, the doctors who were in practice

then were grandfathered in. Patients of international medical graduates feel their doctors are being pushed out.

When a patient of a doctor who has thousands of patients sees their doctor trying to study for exams, they realize that this is an unfair barrier in place. These doctors have established lives here. They care for Yukoners by the thousands. We receive five years of dedicated service from them and then we say goodbye.

I'm not suggesting it will be easy, yet it's time for this government to act. Will the minister work with Yukon medical establishments to fix the situation that is driving international medical graduates from the territory and build a doctor retention plan that actually delivers results?

**Hon. Mr. Graham:** I am sure the member opposite knows that we are working very diligently to alleviate the problem. At the present time, we are looking at several options to keep the current international medical graduates in the territory. We would like to keep them here, but I don't think we want to see those people retained on the same basis as what there has been up to this point. Up to this point, we — meaning whatever government was in place — have allowed the five-year special permit without any conditions placed on the doctor to at least make an effort to get the exam completed in the first few years or provide any kind of tutoring support or other supports that will ensure that these folks are able to get their licence within the five-year period.

We are looking at a number of things such as that, and I think the government leader is working toward a solution to this problem, and I am sure he'll be able to tell us all about it in the next week or two.

**Question re: Access to Information and Protection of Privacy Act amendments**

**Ms. Stick:** One of the stated purposes of the *Access to Information and Protection of Privacy Act* is to make public bodies more accountable to the public by giving the public a right of access to records.

By moving to close the door on access to information, this government has launched an attack on the openness and public accountability of the ATIPP act, which is meant to protect. Vast amounts of information currently available to the public will soon be off-limits.

Will this government stop its attempt to limit public access to information and withdraw the proposed changes to the *Access to Information and Protection of Privacy Act*?

**Hon. Mr. Istchenko:** I listened to the motion put forward in this House earlier today, Mr. Speaker. I'm happy to answer this. What we're doing is we're making amendments to the ATIPP act and these are sought to ensure that the act continues to operate in its original intent by allowing public access to government information and records with only specific and limited exclusion. The changes will ensure that Cabinet confidences are respected and the objective, candid policy advice to ministers is available, so we can get that advice. This government is committed to maintaining an accessible and transparent government with only restricted access to information, where necessary, to protect an individual.

We talked to the Information and Privacy Commissioner about this. He had some concerns and issues we addressed with him and — I'm going to say this over and over because I'll be asked again — we made amendments to the ATIPP act in 2009, where we incorporated the Hospital Corporation, Yukon College and Yukon Energy Corporation. So access to information was available for all our corporations. The government is just bringing this up to a middle-of-the-range standard with the rest of the jurisdictions in Canada.

**Ms. Stick:** By adding those corporations, they have included them in this and make it more difficult for those reports to be accessible to the public. The proposed changes to the ATIPP act will make the government less open and transparent. This is contrary to what the Yukon Party campaigned on in the last election. We agree that the *Access to Information and Protection of Privacy Act* needs to be updated; however, those updates should increase access to information while protecting personal privacy. Will the government consult with members of the public, media organizations, and other information and privacy experts and reintroduce changes to the ATIPP act to increase access to information instead of restricting it?

**Hon. Mr. Istchenko:** Attacking an act — well, like I said earlier, these amendments are necessary to ensure that the ATIPP act can operate as it is intended and allowing, and I say again — allowing — public access to government information and records while respecting Cabinet confidentiality.

If you look at some of the other jurisdictions in Canada, we're just bringing this up to the middle of the pack. We looked at all other jurisdictions in Canada and this was important to this government, so the public could have fair access to information, but also we can protect some of the Cabinet confidentialities to the ministers. I'm going to keep saying that. Thanks for the question from the member opposite.

**Ms. Stick:** I didn't know we were attempting to be the middle of the pack. We should be trying to achieve top of the pack — to lead. That's what this Yukon government in the past has been able to do.

A healthy democracy requires open access to government information. Media organizations need this information to accurately inform the public debate. Most importantly, the people who elect a government and to whom the government is ultimately responsible and accountable need this information so they can determine if the government is acting in their best interests.

Again, will this government stop its plan to restrict public access to information, go back to the drawing board, consult widely and propose a bill to increase information instead of restricting it?

**Hon. Mr. Istchenko:** As I said, the proposed amendments support the government's intent to continue to provide the public with access to Yukon government information without compromising the established principles of Cabinet confidentiality or restricting the ability of the ministers to receive full and frank policy advice from public servants.

These amendments exclude briefing books prepared for legislative sessions and new ministers. This is almost identical to Alberta and Newfoundland and Labrador. When some of the

jurisdictions incorporated their access to information act, they put this in already from the start. As I said, we are just going to the middle of the pack — or maybe “in line” is a better term — with other jurisdictions in Canada.

**Question re: Dawson City waste-water facility**

**Mr. Silver:** I will keep the Minister of Highways and Public Works on his feet. We are going to change the topic to Dawson waste-water treatment facility and the district heating project. According to the government’s website, the cost of this project was forecast to be \$25 million. Budget documents released this spring put the cost at \$34.2 million. Budget documents tabled last week contained another \$1 million for this project.

It appears this project is roughly \$10 million over original budget estimates. We have been experiencing a long list of major projects that have gone overbudget in the past year here in the Yukon. Can the minister tell Yukoners what the final cost is for this project?

**Hon. Mr. Istchenko:** Yes, I can, Mr. Speaker. The final cost of this project is \$29,556,000, which, I might add, is 0.4 percent over the budgeted \$29,436,000. Alluding to the question that was asked in the House the other day about contracting, this is one of the projects that we’ve been managing quite well. We’ve seconded people, making sure we have the right people in place so this project does come in on time and on budget, and that it is what the residents of Dawson are after.

**Mr. Silver:** I appreciate the minister’s response. Aside from the fact that this project is millions of dollars overbudget for construction — when you do include the district heating project as well — there were also concerns about the long-term cost of operating the new facility. According to the City of Dawson, estimates to operate the facility continue to grow and seem to be far higher than the original figures that were given to the town. There is no way that the City of Dawson can carry these costs alone.

A spokesperson for the minister said, “We’re not going to leave them on their own to flounder with this thing. Government has always been prepared to help them out, if it’s needed. But first we have to get a realistic picture of what’s going on, what those costs are, what rate payers are currently paying, etc.”

What level of support is the government prepared to provide Dawson so that they can actually operate this new facility?

**Hon. Mr. Istchenko:** I see that the department used the word “flounder”. That’s something from the east coast, I would believe. I spoke to this in the House last fall and probably last spring — over and over. The government is committed. We just signed substantial completion on the project. Like I’ve said in this House before, we’re committed. We’re working and we’re paying for the first year of O&M on that facility, taking into consideration that we have the district heat, which is part of this process, which will bring costs down. At the end of the day, once this year is up, we’re going to sit down with the new mayor and council in Dawson City and discuss costs with them and make sure that the costs for their waste are the same as all other Yukoners for their waste when it comes to paying at the tax level.

**Mr. Silver:** As I’m finding out, there are flounders from coast to coast to coast.

Another outstanding issue related to this project is the fact that many people in Dawson have not been paid because of a dispute with the outside contractor who oversaw the project. As recently as a few weeks ago, the government was still withholding money for the contractor until this dispute was settled and local residents had been paid out.

One of the main benefits to the community from this project was the wages that were supposed to be paid to these workers. Can the minister tell Yukoners whether this dispute has been resolved, and if not, what is the government doing to ensure that Yukoners get paid by this outside contractor?

**Hon. Mr. Istchenko:** A little bit of a fishy question here. When it comes to contracting, we hold the contractor and the subcontractors — we don’t get into the dispute between contractors and subcontractors. Through our contract directives in the contract, we hold the funds until the dispute between a contractor and subcontractor is resolved, and then we transfer the money. That way we don’t pay a subcontractor when the contractor is fighting with them or vice versa. I feel for the people who are looking to get paid, but it’s the right thing to do and it’s written into the contracts. This is one good example of issues with contracts that have gone right. I thank the member opposite for the question.

**Question re: Street lights**

**Mr. Barr:** With daylight savings time, it’s dark when most of us are done work and heading home, and of course it will continue to get darker until after the solstice. Despite the obvious fact that proper street lighting in our communities and on our highways is important for public safety, there are many locations where street lights are out or are flickering. I have received calls about inadequate or non-functioning street lights in many communities.

What is the government’s plan to ensure every community and key sections of our highways are properly illuminated for public safety?

**Hon. Mr. Cathers:** I appreciate the concern coming from the Member for Mount Lorne-Southern Lakes. I think he misunderstands the structure that is at play. In the Yukon we have two utilities that provide electrical service — Yukon Energy Corporation and Yukon Electrical. They are in charge of their respective maintenance. They are also regulated by the Yukon Utilities Board. As a government we don’t deal directly with replacing the light bulbs when they go out. If the member has a concern, I’d encourage him to either refer it himself or have constituents contact either of the utilities or pass it on to my office and we can forward it on to the utility at hand, but we don’t deal with replacing burnt-out light bulbs.

**Mr. Barr:** Exactly what I’m doing; however, I was informed at a briefing, I believe by the Deputy Minister of Highways and Public Works, that it is a combination of, for highways, the responsibility of the Minister of Highways and Public Works, and for communities, the Minister of Community Services. Maybe the last minister to speak could check his information.

In the Village of Carcross and in the Watson River, Choutla and Natasheeni subdivisions, there are 26 street lights not working, including around school bus stops. The lights in Natasheeni have been out since last winter. Today a constituent told me that the lights at the intersection of the Alaska Highway and Doehle Drive at Judas Creek has been out for three weeks. The people of Stewart Crossing have long been calling for government to do something.

Will the government fix this problem without delay?

**Hon. Mr. Cathers:** As I explained in my previous response to the member, the utilities themselves deal with the maintenance in changing the light bulbs. If the member has a concern, as the concerns he has just outlined, I am sure that the two utility companies are listening.

We can ensure that copies of *Hansard* are provided to them with the areas the member has identified. He could also certainly identify his concern in a letter to me or to the Minister of Highways and Public Works about areas where he believes there is a safety issue, and we can certainly refer that.

The government doesn't go out and deal with replacing the burnt-out bulbs on street lights. That's done by Yukon Energy Corporation staff and by Yukon Electrical Company Limited staff. We don't get out there and certainly ministers don't directly get out on a stepladder to change the light bulbs.

**Question re: Species at risk legislation**

**Ms. White:** The previous Yukon Party government ran a consultation on a Yukon species at risk act for five months in 2007 and 2008, and they continued this process in a working group with First Nation governments for an additional year. This process resulted in draft legislation accepted by all involved. Ironically, this Yukon Party government has now let this cooperative legislation fall by the wayside. Mr. Speaker, if the previous Yukon Party government believed that it was important enough to consult twice in nine years and then go as far as drafting legislation for the Yukon to actively, locally manage species at risk, then why did this current government let this important legislation disappear into some long-forgotten filing cabinet?

**Hon. Mr. Dixon:** Mr. Speaker, we are actively engaged in the national assessment process. When it comes to protection of species at risk in the territory, there are a number of forums and tools that we use. One of them, of course, is the Committee on the Status of Endangered Wildlife in Canada for species that occur in Yukon. It's the opinion of this government that species at risk in the territory are well-protected currently, and we're working consistently with our counterparts at the federal level and monitoring species at risk legislation implementation in other jurisdictions to determine whether or not it's an appropriate tool for us to use.

We'll continue to do that, and I applaud the Department of Environment on the work they have done to date.

**Ms. White:** The federal government, in its first omnibus bill this year, began the process of watering down the federal *Species at Risk Act*. Now, the federal government is proceeding with amendments that would allow the federal minister to override environmental protections for species at risk in the name of industrial resource projects and, of course, the minister

opposite said earlier this year that all is good on the species at risk front and that we don't need a law; we can rely on Ottawa. With Ottawa clearly withdrawing from species at risk protection, when can we expect this government to step up and protect Yukon species at risk with our own laws?

**Hon. Mr. Dixon:** Well, we are protecting Yukon species at risk, and we're doing that in a number of ways. As I indicated, we participate in a number of federal forums and processes for identification and protection of species at risk in the territory. Of course, management plans are developed for specific species. The Yukon government is consulted and participates in the development of those, and most certainly the implementation of them. When it comes to a range of species that are currently identified by COSEWIC — the committee I mentioned earlier — the Yukon government is quick to act, and works very well with the federal government when it comes to delivering on those management plans and protecting species at risk for Yukoners.

**Question re: Hydraulic fracturing**

**Mr. Tredger:** Yukon's medical officer of health commented this morning on the chief medical officer of health's recommendations concerning shale gas development in New Brunswick. The New Brunswick report assessed potential health and social issues related to fracking in that province and how the government should prevent and mitigate any negative health impacts with the development of a shale gas industry. The New Brunswick chief medical officer also said that health impact assessments and other actions should be conducted well in advance of fracking.

Does the Minister of Health and Social Services agree with the medical officers of New Brunswick and Yukon that the health impact assessment should be conducted well in advance of fracking?

**Hon. Mr. Cathers:** I'd like to remind the member, as I have on a number of occasions in the past — the member seems to have it in his head, or seems to present the assertion that somehow, someone is about to go out there and do hydraulic fracturing. That is not the case.

As we have heard, the earliest that any company would apply to, or even consider applying to do that type of activity is years down the road. I would again point out that through the YESAA process there is assessment of any activities that occur prior to a permit being issued.

The government's expectation of our officials is that, until and unless we are fully confident that the environment and human health and safety can be fully and adequately protected, no permit or licence should be issued.

I would remind the member for the first time that if he had read the reports coming out of New Brunswick, he would see that, in fact, New Brunswick recommended against a moratorium on hydraulic fracturing, which the member has been standing up here repeatedly demanding.

**Mr. Tredger:** The New Brunswick report states, "Participation of local communities and governments will be key to ensuring that the most informed decisions about planning and mitigation can be put in place." The government has said that they wish to operate under the highest standards when it comes

to developing Yukon's oil and gas resources. Yukoners want to ensure that economic prosperity is balanced with the protection of human health and the environment.

Will the Minister of Health and Social Services commit to a full and rigorous scientific and public review of fracking in the territory, including a health impact assessment before any fracking is allowed in the Yukon?

**Hon. Mr. Cathers:** As I reminded the member in my previous response, the member likes to try to paint the picture that hydraulic fracturing is something imminent and something to be feared.

I would point out to the member that — aside from the fact that many Canadian jurisdictions have the activity occurring and that jurisdictions such as New Brunswick have determined that they believe, subject to the right standards, it can occur. In the Yukon, this is something that is not an imminent prospect. Again, as I pointed out to the member, our expectations on any activities, including all oil and gas activities — and in fact, anything regulated by the Yukon government — is that officials will do their utmost to ensure that until and unless they are fully confident that human health and safety and the environment can be fully protected by the terms of any licence or permit, they should not issue that licence or permit.

We have confidence in the work that staff does. I would remind the member that, in fact, the YESAA process, the Yukon Water Board process and other reviews in some cases do apply to these matters. All are focused on ensuring, indeed, that standard is met to ensure human health and safety and the environment can be fully protected.

**Mr. Tredger:** Mr. Speaker, one thing is very clear and that is jurisdictions across Canada, industry and Yukoners all want to become involved before fracking begins. That takes time and it's incumbent upon this government to begin the process now. The NDP's position is clear: We believe in economic prosperity balanced with protection of human health and the environment.

We believe it is in the public interest to have a full and rigorous scientific review and public consultation in the territory before any fracking is allowed in the Yukon.

Again, will the Minister of Health and Social Services commit to a health impact assessment before any fracking is allowed in the Yukon?

**Hon. Mr. Pasloski:** The NDP's record on the economy is there for everybody to witness. Certainly, the last NDP government showed us thousands of Yukon people moving away — a mass exodus. They didn't create any jobs. There was huge unemployment. We know what the NDP do when they get into power when it comes to the economy.

It was only recently that I received a letter that I was really quite excited about when I got it, because I opened up this envelope and I saw two different logos on the same letterhead. One was the logo for Northern Cross; the other was a logo from the Yukon Conservation Society. Here I had a letter from both of these organizations who, one might argue, are at different ends of the spectrum when it comes to resource development in the Yukon.

What I saw was these organizations coming together to talk about outcomes versus processes.

This government wants to see that we can use Yukon resources for Yukon energy. While we do that, we want to ensure that we maintain that quality of our water and we protect our environment. I am looking forward to meeting with the Yukon Conservation Society and Northern Cross, Yukon — coming together to find out why they've made these recommendations — and I am looking forward to next steps after that meeting.

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

#### Notice of opposition private members' business

**Mr. Elias:** Pursuant to Standing Order 14.2(3), I would like to identify the item standing in the name of the Independent member to be called on Wednesday, November 7, 2012. It is Motion No. 252, standing in the name of the Member for Vuntut Gwitchin.

**Ms. Stick:** Pursuant to Standing Order 14.2(3), I would like to identify the item standing in the name of the Official Opposition to be called on Wednesday, November 7, 2012. It is Motion No. 275, standing in the name of the Member for Mayo-Tatchun.

**Mr. Silver:** Pursuant to Standing Order 14.2(3), I would like to identify the items standing in the name of the Third Party to be called Wednesday, November 7, 2012. They are Motion No. 249 and Motion No. 251, standing in the name of the Member for Klondike.

#### ORDERS OF THE DAY

#### GOVERNMENT BILLS

##### Bill No. 7: *Second Appropriation Act, 2012-13* — Second Reading — adjourned debate

**Clerk:** Second reading, Bill No. 7, standing in the name of the Hon. Mr. Pasloski; adjourned debate, the Hon. Mr. Dixon.

**Hon. Mr. Dixon:** It's a pleasure to rise and speak to this bill once again. Yesterday, when I ended my comments, I was discussing some of the implications for this budget bill for both of my departments. I do have a number of other comments I wanted to make about some of the work and implications that are in this budget bill for my departments. Before I do that, I want to address a number of comments that were made in this House yesterday on second reading of this bill. Some were made rather insightfully and constructively by members, and some, of course, were not.

There were a number of cases where members from the NDP offered some constructive comments about what they didn't see or what they did see in the budget bill. But what was most disappointing were the comments from the Member for Klondike. He made a number of — first of all, ill-informed and



ill-conceived — but also took the liberty of disparaging officials in this government, which I want to take issue with today.

I have a copy of the Blues here so I would like to just remind the members of some of the comments that were made. The member, of course, noted that in reference to the deputy ministers' shuffle that occurred a few months ago — the Member for Klondike mentioned that "...if the government had simply admitted that it was unhappy with the work of one or two of its deputy ministers and actually let them go." So here, Mr. Speaker, we see he is advocating the firing of officials. It said, "Instead, the government decided to shuffle the problem around..." I'm not sure which deputy ministers he is speaking of in terms of being "problems" or suggesting which should be fired. But I have to take issue with that.

Now I could go on and talk and explain to the member opposite that deputy minister shuffles are quite a regular thing, that they occur at the federal and provincial levels throughout this country and that they happen from time to time to ensure that deputy ministers provide the leadership and general direction alongside the minister to their departments — shuffles occur to ensure that there's a diversity and that leadership is applied throughout the corporation of government.

That corporate understanding of what's going on in different departments is an important aspect of good, strong, responsible government. When officials from the department have the chance to visit other departments and provide leadership in those departments, they offer new perspectives and often give the new department a renewed sense of purpose and direction. I could go on at length about how normal and actively important deputy minister shuffles are and how regular they are, but I think we'll leave that for now.

What was disappointing, though, about the member's comments was that he was so disparaging toward the officials who don't have the opportunity to come into this House and defend themselves. When we get elected, we expect that our positions and our policies as presented to this House will be debated and will be disagreed with and perhaps even insulted and slighted by other members of this House. That's something we accept when we get elected and we sign up to do this job.

Officials, however, don't deserve that sort of treatment. They aren't presented to this House and put forward in front of the people to have their jobs scrutinized as such.

If the Member for Klondike has a problem with me as minister, with any of the policies or actions I've undertaken as minister, he's fully within his right to attack me and to raise concerns and ask questions about my work. He can say that about the Premier — about anyone in this government — but officials who work on behalf of Yukoners don't have the opportunity to defend themselves in this House and should not be insulted and should not be denigrated in this House —

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

#### Point of order

**Speaker:** Member for Vuntut Gwitchin, on a point of order.

**Mr. Elias:** I believe the use of the word "assault" to another member of this Assembly has been ruled out of order previously and I think that under Standing Order 19(g) it im-

poses a false or unavowed motive to another member, especially to the Member for Klondike.

**Speaker:** The Minister of Environment, on the point of order.

**Hon. Mr. Dixon:** On the point of order, it's an "insult", not "assault" of course, but I do believe this is a dispute between members.

#### Speaker's ruling

**Speaker:** The actual pronunciation of the word — I have to agree there is no point of order. The word I heard was "insult".

Minister of Environment.

**Hon. Mr. Dixon:** Regardless of the terminology or verbiage we associated with it, no member of the public service deserves to have put on the public record in this House that they should be fired. I think, at the very least, Mr. Speaker, the Member for Klondike owes a sincere apology to each and every deputy minister in this government, and I would encourage him to do so at the departmental briefings that I'm sure he'll participate in. I know he didn't have a chance to attend the one this morning for Economic Development, but I'm sure that's indicative of the value he places on Economic Development.

A few other comments that the member made yesterday were particularly disappointing to me. They were disappointing, not because they were a disagreement that I have with the member about the direction of government or anything like that; it's because they were simply ill-informed and ill-conceived.

I would suggest that the research that the Member for Klondike does about issues in this House should be a little more thought out and perhaps a little better — quite frankly, Mr. Speaker, they should be better.

One of the issues I had was with his discussion of investment attraction. He mentioned, I believe — Mr. Speaker, if I may return to the Blues — that we have had an inordinate focus on China, apparently, "...to the exclusion of...Canada, the United States and Europe."

The Member for Klondike then pointed out that industry, for instance —

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

**Hon. Mr. Dixon:** Of course, he noted that industry has been leading the way through institutions like the Yukon Gold Mining Alliance that is visiting not only Europe, but North America. I would have to point out for the member that Yukon government is a member of the Yukon Gold Mining Alliance. We created it; we fund it, and every time they go somewhere, we have a representative from government alongside them. It's not always the minister — it usually is. Ministerial schedules, of course, don't permit us to go on all of the trips with the YGMA, but we do, of course, when possible, provide Cabinet-level support to that group when we go out to attract investment to the territory. My first trip outside of the territory's borders for the —

**Speaker's statement**

**Speaker:** Order please. I ask the member to limit his comments to the debate at hand about the appropriation act. I know that the Member for Klondike did open it up a bit, but I'd like the minister to tie it back to the debate at hand.

**Hon. Mr. Dixon:** Okay, I guess I should comment that a number of the funds in the budget this year were, of course, for the purpose of investment attraction in the territory, and I would like to speak a little bit about Yukon government's initiatives with regard to that.

As I said before, we participate with the Yukon Gold Mining Alliance through a number of ways. I have been corrected — I should say we did not create the YGMA; we simply support them. So I was incorrect earlier when I said that we created it. We didn't create it; we simply support it. It was created, of course, by industry with support from the department. As I said earlier, my first trip outside of the territory's borders for the purpose of investment attraction was to the United States; I visited with the YGMA, side by side, and went to a number of financial hubs in the United States. My next trip outside of the territory's borders for the purpose of investment attraction was to Europe. So I think we have a case where the member just hasn't done his research or is just throwing stones and seeing what breaks.

The activities of the Yukon Gold Mining Alliance are a great example of an innovative approach to attracting investment to the territory. As I said yesterday, I want to bring a little bit of context to the debate on this budget.

Some of the comments about where the global economy is currently, where it is nationally, and where the territory fits into that picture, I think are relevant, both to this discussion as well as the budget before the House today.

The global economy is in a state right now of a fair amount of uncertainty. In the United States we are seeing a fairly big potential for a change in direction there. There is, of course, an election going on today between two very polarized individuals. There is a lot of uncertainty coming out of Asia currently in the sense that China is in the midst of a change of leadership as well. We certainly can't characterize that as an election, but it is a change in leadership of sorts.

The uncertainty associated with the global economy has ramifications and, of course, implications for Yukon as well. In the world economy, economic output has been sluggish in advanced economies, but relatively solid in many emerging markets. One of those emerging markets, of course, is China.

Another one is India. The Prime Minister is leading a trade delegation to India this week. In its October outlook, the IMF noted that Europe remains the most obvious threat to global growth and the U.S.A., with their sort of widely divergent figures in their current election, could spell some interesting ramifications for the global economy. In the supplementary budget today that is before the House, I would note that on page 4-3, the role of the Department of Economic Development is outlined there. That is, of course, to pursue economic initiatives with the shared vision of prosperity, partnerships in innovation

and to develop and maintain a sustainable and competitive Yukon economy to enrich the quality of life of all Yukoners.

The final point, of course, is to forge, maintain and expand partnerships with First Nations in the economic development of Yukon. Mr. Speaker, you see in this budget a number of things that will help us do that. As I said, when it comes to the development of our economy, there are a number of global forces at play as well. If I could turn back very briefly to the American election that is going on today, I would like to talk about a few of the implications that may have for Yukon.

As I said, there are two individuals running for president who are very divergent on a number of policy issues including economic issues. One, of course, is the current president, Mr. Obama, with the Federal Reserve chairman, Mr. Bernanke, who has undertaken a number of processes of quantitative easing.

Seeing my time, I'm going to change direction a little bit because there were a few things I did want to make sure I get on the record outside of the global economy. I will shift gears and say, very quickly, that Yukon is in a fairly challenging situation currently with regard to investment attraction. It is a difficult market out there for those bringing projects forward in the territory to attract capital to the Yukon, which I think further highlights the need for us in the Yukon government to work with industry to continue to attract capital to the territory.

With regard to the environment, though, there are a number of comments I wanted to make about this budget bill that is before the House. As I said yesterday, it does include \$500,000 for adaptation projects, which I think are very important. Climate change is a reality in the territory and taking effective action to deal with that is an important focus of the Department of Environment.

The reason this is in the supplementary budget is because it is funding from the federal government through the Department of Aboriginal Affairs and Northern Development. There are nine projects that are funded and I'm sure I'll have a chance in Committee of the Whole to go through some of these projects. But essentially, if I may sum them up, they are all looking at the effects of climate change in the Yukon and how they affect our way of life and our infrastructure here in the territory.

Another small change in this bill relates to the Yukon Wildlife Preserve. I did want to make a quick comment about that. As I said, we can get into the details of that change in Committee of the Whole, but at the high level I would like to congratulate the Yukon Wildlife Preserve for their recent achievement — that is, having been granted full accreditation by the Canadian Association of Zoos and Aquariums. I would note that they were given full accreditation without any conditions, which I understand is quite unique and unusual for a first-time organization to receive accreditation without any special conditions. I think it's indicative of the great work done by the board at the Yukon Wildlife Preserve and the staff at that institution. They do a phenomenal amount of work and really the benefit is to Yukoners and to Yukon's environment.

I would also note that they recently achieved their small employee certificate of recognition — SECOR — through the

Northern Safety Network. They received a 92 percent on their inspection and were told that this is the highest mark ever provided by that particular inspector. So I'd like to congratulate the Yukon Wildlife Preserve for a job well done, both in their accreditation from CAZA and their commitment to the health and safety of their employees.

The final point I'd like to make with regard to the Department of Environment was a sincere congratulations and thank you to our conservation officers this year. This year was an incredibly difficult year for conservation officers, who dealt with an inordinately high number of human-bear conflict cases. There were a number of cases throughout the territory, as members will be fully aware. Anyone from Whitehorse knows that there was a significant issue with bears in Whitehorse this year, and I have to say, as much as I'd like to comment on that issue and some of the things that we as Yukoners need to do, I did want to take the time to recognize the tremendous achievement of conservation officers and the very good work that they did this year.

In many cases they worked 24 hours a day. In some cases they were available in the middle of the night. They received calls from concerned Yukoners at various times of the day and week, regardless of whether they were at work or not and they've responded in every case that I've ever heard of with wonderful professionalism.

So I must say I commend the work done by the conservation officers this year in a very challenging circumstance and I would like to report that despite this incredibly high amount of bear activity in the territory this year, there were no safety issues with the bears in terms of actual attacks or deaths. That's something that we need to recognize and thank the conservation officers for their good work. So I commend this bill to the House and look forward to hearing from other members about this bill.

**Ms. McLeod:** I'm pleased to have this opportunity to speak to the *Supplementary Estimates No. 1* bill. It's always a pleasure to rise and speak to budget documents. Southeast Yukon has had quite a busy time of it this year with record-setting floods and road washouts. We were thoroughly cut off from the rest of Canada in every direction at one time or another. Through all of that, I was so proud of the people who live in the Watson Lake riding and how they rose to the challenges to make the stranded visitors a little more comfortable with the situation that they found themselves in. But that's just second nature to our residents and business owners. Visitors were offered food, lodging and other facilities by the municipality, by business and by individuals who found an extra room in their homes.

I'd like to thank the various Yukon government departments that helped to manage the immediate threats, but especially the Yukon Housing Corporation, Community Services, and Highways and Public Works. One of the most heartbreaking stories is, of course, about the homeowners who lost their house and home in the floodwaters of the Liard River. Personally, I can't know what those people went through, but I can guess. Our thanks go out to the Yukon Housing Corporation

and the constant support of the minister, who ensured that those homeowners were made a high priority for resettlement and compensation, and this work continues.

It's a wise government that makes the hard decision to declare an area a "flood zone", thereby ensuring that lives will never again be affected by the devastation in that area.

I would also like to thank the great efforts and the speedy work of the Highways and Public Works department. The force of the water that washed out the Alaska Highway was awesome. Travel was allowed after only four days and the delivery of goods to Whitehorse and other Yukon communities resumed.

I fully support the programs offered by Yukon Housing Corporation. The programs that will move some Yukoners into home ownership are especially welcome. The newly constructed, 12-unit seniors residence in Watson Lake is now full and, aside from some minor issues, the residents are happy with their new home.

The ongoing support of this government in the upgrading of the Robert Campbell Highway over the years has benefited travellers and business and aided in some much-needed development for southeast Yukon.

Major infrastructure, such as repair and maintenance of the Upper Liard bridge, is surely indicative of this government's attention to the needs of Yukoners and all sectors of the economy.

I heard in this House yesterday that this government is too concerned about the bottom line. Well, the bottom line matters in my house, and I'm pretty sure it matters to the majority of Yukoners. Most of Yukon is enjoying the benefits of a good economy, and this is the time to bank some of that money in the event of a downturn in the territorial economy so that government is fiscally able to do some strategic spending. I also heard that this government isn't spending enough money to find and retain doctors. Well, I certainly wish things were that simple — that money could fix our current shortage. The fact is, doctors wanting to come to the Yukon and work in our communities are hard to find, and we are competing with the rest of Canada for each one. But we're working to resolve our shortage, and I thank the Department of Health and Social Services for making this a priority.

This budget contains money to start the work of replacing water and sewer infrastructure in Watson Lake, and certainly, to date, that work has been partially completed. I applaud the minister and her department for working with the municipality to see the start of this important work and going forward to funding the balance of the rest of the infrastructure. Would I like my community to see everything we want, when we want it, and have Yukon taxpayers pay for it? Of course I would. But we have to recognize that we're not the only community in the Yukon with wants and needs. Thank you.

**Mr. Elias:** Again, it's a pleasure to rise to engage in debate on the second reading of the *Supplementary Estimates No. 1, 2012-13*. I have listened to all of the comments and debates over the last day and a bit here and, I must admit, it's quite tantalizing.

I look forward to getting into general debate in Committee and going into line by line because we do have to deal with the Office of the Ombudsman, 11 different departments, the Women's Directorate and two corporations in debate.

I do, however, want to focus on some of the priorities within my riding as they relate to the budget with regard to Education, Highways and Public Works, Community Services, Department of Finance and ECO.

I want to begin with a heartfelt mahsi' cho to the people of Old Crow for their incredible support, as always, to recognize their hard work because, no matter what the issues or concerns are, my constituents are always there participating, solving problems, and getting the job done from start to finish. I'm so honoured to represent and serve such a wonderful and engaged riding in my second term here in the Assembly.

On behalf of my constituents, I want to thank my colleagues on the government side of this Legislature for recognizing the importance of the priorities I speak about in this House because it's my constituents who bear the consequences of our public government's actions and inactions every day.

I say this with respect to my colleagues on the government side of the floor. I appreciate the effort they have afforded me in terms of their time, listening to my priorities of the community of Old Crow and seeking my thoughts on various issues in north Yukon.

I also want to thank my colleagues on this side of the House, in the opposition, for their support when I ask for it. It is my hope that this cooperative dialogue will always be available and will continue.

Many great Yukoners have left us this past year, but their legacies remain. In my riding, Mr. Alfred Charlie and Ms. Sharon Keaton will be sorely missed by their friends, family and colleagues in our community.

If history has taught us anything, it is that we all move forward by moving beyond the positions that have held us back. That is the essence of a responsible government's effort to building lasting relationships with its communities and First Nation governments. It aspires to a brighter future for all Yukoners, built on self-reliance and self-determination, and based on mutual respect.

In our community of Old Crow, 95 percent of the population is of Vuntut Gwitchin ancestry and the resident government has a signed treaty and self-government agreement, a signed intergovernmental accord, a signed capital plan, and a signed integrated community sustainability plan that calls on us to close the gaps that exist in health, housing education, sports and recreation and economic opportunity.

Our community of Old Crow considered these signed documents with the public government as partnerships and plans to proceed into the future, and working together where we are able to open new doors for progress. New approaches, forward-thinking and a new commitment to long-term results are demanded within them. Each of my fellow parliamentarians in this House has great goals for their ridings, this territory and our country.

Our community of Old Crow has a vision, one that reflects our traditional values, sustainability principles and long-term

goals. It is to create and maintain a sustainable, healthy and vibrant community that provides a safe, supportive environment in which to live and work that is consistent with the ethics of caring for our water, land and wildlife. We seek what all other Yukon communities seek: simply the same programs and services as everyone else, some of which are reflected in the supplementary budget we speak of today, and some of which are not. Part of my job as a representative for the Vuntut Gwitchin riding is to ensure that their priorities become priorities at the Cabinet table and are represented as individual line items in the budget of this government.

Our community values the empowerment of our people to contribute to a strong, healthy community. We value all that is living and strive to create a balance in our interactions between them. We value our children and youth and are committed to providing a safe and healthy environment where they can learn, play and be confident, healthy leaders of tomorrow. We value our traditional language, culture, spirituality and the teachings of our elders. We value accountable and transparent governance, which is essential to building trust and which encourages participation and allows our community members to understand how decisions are made at the local, territorial and federal levels.

I say the following with a smile on my face for *Hansard* — and I'm going to take this opportunity to mention something — and it does relate to tourism and culture in our territory, which is represented in the budget. Representatives from the Lonely Planet travel guide must have visited our community of Old Crow, travelled the Dempster Highway this fall, and experienced the spine-tingling beauty and picturesque landscape, because the Yukon is now ranked fourth in the world of places to visit.

I see a few eyebrows lifting, especially from the Member for Kluane and the Member for Mayo-Tatchun, but *Lonely Planet* said of the Yukon, and I quote: "This vast and thinly populated wilderness has a grandeur and beauty that can only be properly appreciated in person." I agree wholeheartedly, and of course our entire territory and each region and each riding has its own special and unique qualities, and I think that's something we can all be proud of.

Speaking of the Dempster Highway, I did travel up the Dempster Highway this fall with Chief Joe Linklater — and we spent a few days travelling the highway. With regard to Highways and Public Works, I would like to say to the minister that this is probably the best condition I've ever seen the Dempster Highway in the years I've been traveling it. Thank you so much to the minister for his great leadership — and we do recognize the investments in the budget today — and also to those dedicated employees who each and every day ensure that that highway is safe to travel and is maintained properly.

On that trip it was an eye-opener because in my new role as the independent MLA for the Vuntut Gwitchin riding, if I am to represent and advocate for the issues and concerns of north Yukon, then it's important for me to see and listen to those issues and concerns first-hand in order to gain a better understanding. Case in point: It was wonderful to see the Premier and the Minister of Environment at the Northern Cross oil

and gas drilling operation. It was my first time on an active drilling rig, and to be able to talk to the employees and to the managers and directors of the company, to understand first-hand what the expectations are, to see the industry standards in terms of environmental protection and dealing with the chief as well, saying what his expectations are, meeting with the Chief of the Tr'ondek and the Chief of the Na Cho Nyäk Dun and the President of the Gwich'in Tribal Council and the MLAs from the Northwest Territories and what their expectations are in north Yukon. We discussed things right from the beluga calving grounds on the North Slope to Herschel Island issues to Ivvavik National Park, Vuntut National Park issue, to the withdrawal of the lands north of the Porcupine and Bell.

We talked about tourism. I had the opportunity to stop at the Tombstone Interpretive Centre and talk to the staff there and talk about their issues and what they've been hearing from the public. I talked to some German tourists; I talked to some tourists from England and they were just absolutely flabbergasted at the scenery in the first week of September. It was a very special trip for me to take up there and I intend to do it on a regular basis.

One important thing to mention to the Minister of Environment is that on the N.W.T. side of the border — and we've been encouraging the Minister of Environment in the Northwest Territories to do this — it was a pleasure to see the Porcupine caribou mandatory check station at the Peel River crossing in order to obtain harvest numbers for the Porcupine caribou herd. That was very encouraging and I did send communication to the minister responsible in Northwest Territories, congratulating him for that effort. Those are some of the things that occurred during that trip up the Dempster.

In terms of the budget items and priorities for Old Crow — I want to firstly recognize the Premier for the courtesy in a letter that I received yesterday — recognizing and acknowledging the years and decades, in some cases — of endless public meetings and consultation in our community and the surrounding area with regard to the priorities that I'm about to put on the floor of the House today.

I thank the Premier for his acknowledgement and courtesy in responding to my letter.

It's important firstly to recognize the Yukon Party government's partnership with the community and their investments in our community because they are significant. They not only create jobs and boost the local economy, but they also provide a higher level of service and programs in the community. I'm talking about the waste oxidization plant. We've been dealing with the dump — as people call it in Old Crow — because we're running out of real estate. It's within 50 metres of the Porcupine River, a salmon-bearing stream. There are regulations associated with that that we've communicated to this government. With the direction from the community and the partnership with the Yukon Party government, we've hopefully dealt with this issue for the long term. Thank you for that. Our community is happy and appreciative of investments with regard to fixing the roads and the drainage problems, and especially with the new drinking water well that is scheduled to come on-line here within the next few weeks.

It's a wonderful building and it's something that has been a long time coming. Those partnerships are very much appreciated by my constituents and I thank the government on behalf of my constituents for that partnership.

It's also important to recognize the tireless effort that my constituents have made and the direction they've given to the community's leadership to ensure that these do become priorities and realities in our community.

Mr. Speaker, the Nutrition North Canada program is a source of frustration for me. This is the largest file that I've ever had to deal with in my term as MLA. I'll put the Premier on notice that I will be formally asking for his government's assistance with this federal program because I've exhausted my efforts and I don't know what else I can do. This program is defunct in Old Crow. I don't know what else to do so I'm going to be formally asking the Premier for his influence with the Government of Canada.

The continuation of the Old Crow land-based experiential program — I'll provide an example to the House about what I'm speaking of. This is not just a camp out in the bush. This is a three-year partnership that is a shining light in my mind in terms of education.

The students are out in the traditional territory of the Vuntut Gwitchin. We've always said that our most valuable resources are the land, the water, the wildlife, and especially our youth.

They wake up at the cultural camp. They learn to make fires for warmth and to melt snow for water. They practise camp hygiene. They work as a team to cook breakfast. Then they clean up all the tents, make the beds and do the dishes. Then they proceed with the class and go over the day's lessons and get all the questions and answers from the teachers.

As an example, let's say on any given day the lesson is about tradition, science and economics. They're accompanied by an elder and the day's safety and equipment requirements are gone over in English and Gwich'in. Everything is taught — from how to dress for minus 30 degrees Celsius weather to all the equipment required to properly trap muskrats and travel on the land safely with dog teams and snow machines. The students are taught the best practices of trapping for that species. They are taught how to skin muskrats and look after the pelts properly for sale, and then bring the carcasses to the lab with microscopes in a tent frame out on the land, and they learn from the resources of the community — whether it be biologists or the teachers themselves — about the physical makeup of the biology of the muskrat under a microscope. Then an elder provides a lesson of the past and the value of trapping in the traditional economic sense. Finally, they are taught about our changing world and climate change, and about traditional land stewardship values, of wasting nothing and using everything that they take from the land and how that connects to and is valuable in today's society.

These students exceed the learning objectives identified in Yukon curriculum. That's all in one day. Talk about building solid young productive citizens. To me, that equates to a secure future led by our children.

Tomorrow in Question Period, I'm going to continue with one of the community's priorities, and that's with a proper community recreation facility. I see that I'm running out of time to go over it in detail, but I will do so tomorrow in Question Period with regard to that priority and why it's so important to our community. I think that these priorities of our community with land development planning for a new residential subdivision and the relocation and remediation of the diesel and gasoline tank farms and completion of the riverbank stabilization are fair.

They are fair priorities, and we have talked about them as a community — some of these issues for over a decade. For some of these issues, patience is wearing thin for a partner — for a public partner.

I will conclude by saying that we as Yukoners can be a powerhouse in the federation of Canada if we maximize the most important, untapped resource in our territory, and that's the power of cooperation and governance — sharing of responsibility for our citizens in their day-to-day lives — a fellowship. If we succeed in this, we will experience a prosperity that will outlast any commodity. Thank you for your time.

**Speaker:** As everyone has had a chance to speak to this — Hon. Premier for closing comments.

**Hon. Mr. Pasloski:** If I can just take one brief moment before I start — I'd like to take this opportunity while I stand here to wish my one and only brother a happy birthday today. He lives in Dauphin, Manitoba, with his wife. Based on this job and the time constraints, I don't get that much of an opportunity to visit with him. I'm very proud of him and his wife. They have seven children and have gone through everything there was to bring forward seven children. So I just wanted to take a moment to wish him a happy birthday.

So I'm pleased to speak to Bill No. 7, *Second Appropriation Act, 2012-13*, along with the accompanying *Supplementary Estimates No. 1* for the 2012-13 fiscal year. The *Supplementary Estimates No. 1, 2011-12* provides an additional \$46.014 million in total expenditure authority, increasing total projected spending for 2012-13 to \$1.202.7 billion, of which \$269.6 million will be directed toward capital investments. As noted, the supplementary provides for \$46.014 million in increased spending, specifically additional operation and maintenance requirements of \$7.993 million and capital requirements of approximately \$38.021 million. Our government continues to deliver a healthy financial position. The *Supplementary Estimates No. 1, 2012-13* reflects a net financial position of \$125 million and an accumulated surplus of \$1.217 billion.

I want to emphasize the importance of having net financial resources, as opposed to net debt. Maintaining a positive net financial position means we are paying as we go. We are not sacrificing future revenue streams to pay for current programs and services. In fact, we forecast an annual surplus for 2012-13, which contributes an increase to our net financial resources over that of 2011-12 of almost \$50 million. These are significant indicators of our financial health.

I would like to reiterate that the supplementary estimates includes \$46.014 million additional expenditure authority in several key areas of importance to Yukoners. Our financial framework remains strong, and I assure Yukoners that our government remains committed to managing and directing Yukon government's finances in a disciplined, responsible and strategic manner. The supplementary estimates provide significant increased investment in the Yukon. My colleagues will, of course, be pleased to discuss these initiatives in greater detail during line-by-line debate.

I am extremely proud of our government's success in providing significant investments on behalf of Yukoners while maintaining our commitment to prudent financial management.

Yukoners can be very proud of how our government, the Yukon Party, has managed the fiscal framework. We have maintained a savings account while continuing to provide significant and strategic investments on behalf of Yukoners.

Our healthy financial position provides Yukoners with the assurance that we are indeed financially well-positioned for the future. This strong financial position will provide the flexibility and opportunity for our government to respond to emerging issues when they arise.

Mr. Speaker, I am confident this *Supplementary Estimates No. 1* speaks for itself in addressing the needs of Yukoners. I look forward to the opportunity to discuss it in further detail in the days ahead. I want to also just take an opportunity to thank the Department of Finance and all the individuals from all the departments who helped in putting this together. Also, I would like to acknowledge the hard work and the good work of our ministers and our Yukon Party caucus as well.

I also take this opportunity to recognize, as we had mentioned earlier, that with the tabling of the 2011-12 Public Accounts, the unqualified opinion of the Auditor General of Canada giving us a clean bill of health and the acknowledgment that, through fiscal management and the hard work of the people within the departments and our ministers, we did not have to come forward with an additional appropriation at the end of the year for 2011-12.

**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. Hassard:** Agree.

**Ms. Hanson:** Disagree.

**Ms. Stick:** Disagree.

**Ms. White:** Disagree.

**Mr. Tredger:** Disagree.

**Mr. Barr:** Disagree.

**Mr. Silver:** Disagree.

**Mr. Elias:** Agree.

**Clerk:** Mr. Speaker, the results are 11 yeas, six nays.

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

*Motion for second reading of Bill No. 7 agreed to*

#### **Bill No. 42: Donation of Food Act — Third Reading**

**Clerk:** Third reading, Bill No. 42, standing in the name of the Hon. Mr. Graham.

**Hon. Mr. Graham:** I move that Bill No. 42, entitled *Donation of Food Act*, be now read a third time and do pass.

**Speaker:** It has been moved by the Minister of Health and Social Services that Bill No. 42, entitled *Donation of Food Act*, be now read a third time and do pass.

**Hon. Mr. Graham:** I'll be very brief. This act has already been agreed to by all members of the Legislature. We as a government believe that we should bring it forward as quickly as possible for third reading and assent in order to make the provisions of the bill available to those businesses that wish to donate food before the Christmas season. We are very happy to bring this forward for third reading at this time and trust that all members of the Legislature will support it.

**Ms. White:** In regard to Bill No. 42, *Donation of Food Act*, I am very thankful that the government has chosen to move this forward quickly so that this will affect people for this Christmas season — so thank you, government.

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

**Hon. Mr. Graham:** I have nothing further to say, just that I trust that all members are in favour of this bill and we look forward to passage of it

**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. Hassard:** Agree.

**Ms. Hanson:** Agree.

**Ms. Stick:** Agree.

**Ms. White:** Agree.

**Mr. Tredger:** Agree.

**Mr. Barr:** Agree.

**Mr. Silver:** Agree.

**Mr. Elias:** Agree.

**Clerk:** Mr. Speaker, the results are 17 yeas, nil nays.

**Speaker:** The yeas have it. I declare the motion carried and that Bill No. 42 has passed this House.

*Motion for third reading of Bill No. 42 agreed to*

#### **Bill No. 45: Act to Amend the Municipal Finance and Community Grants Act — Third Reading**

**Clerk:** Third reading, Bill No. 45, standing in the name of the Hon. Ms. Taylor.

**Hon. Ms. Taylor:** I move that Bill No. 45, entitled *Act to Amend the Municipal Finance and Community Grants Act*, be now read a third time and do pass.

**Speaker:** It has been moved by the Minister of Community Services that Bill No. 45, entitled *Act to Amend the Municipal Finance and Community Grants Act*, be now read a third time and do pass.

**Ms. Taylor:** Mr. Speaker, I have actually a lot that I could say to this third reading, but I will condense my speaking notes as such.

First off, I would just like to acknowledge the hard work of the Association of Yukon Communities, all of the municipal governments and our own government officials in the Department of Community Services who have worked very well together to devise this new comprehensive municipal grant program that is before us today. The amendments that are contained in Bill No. 45 are a result of this very hard work and I would like to acknowledge and thank all of the partners for their very important contributions to this project.

The *Act to Amend the Municipal Finance and Community Grants Act* contains a number of provisions that will provide a single lump sum payment at the start of the fiscal year, account for individualized payment for a new municipality, create a supplementary grant, and a five-year structural fire supplement in addition to the basic grant, and also transfer the grant formula from the act to the regulation.

All of these revisions support a number of important concerns that have been raised by municipalities in the "Our Towns, Our Future" initiative, including the request that they be actively involved in the review and creation of the new comprehensive municipal grant program.

The legislative amendments before members today will ensure that the new grant program is responsive to the growth in municipalities, easy to predict, transparent, and fairly distributed, as each community's transfer payment is calculated independent of other communities.

The new comprehensive municipal grant program begins with today's proposed amendments and underlines the Yukon

government's commitment to supporting healthy, sustainable Yukon communities.

**Mr. Barr:** Regarding Bill No. 45, *Act to Amend the Municipal Finance and Community Grants Act*, third reading, as we have said, the NDP Official Opposition is in support. What we've heard is a plan which would: provide more money to municipal governments and a boost to municipal fire department budgets; create an equitable formula tied to the consumer price index; establish a new five-year commitment for grants; and provide one payment instead of quarterly payments of the grant, which caused some problems for municipalities.

We have raised some problems with how this amendment moves important aspects of the grant out of legislation, out of the scrutiny of elected Members of the Legislative Assembly and into regulations where decisions are made at the Cabinet table, often without consultation and without transparency.

I recognize that the minister has promised to present to the public the draft regulation that would contain the new principles to the grant, and I am glad she will do so. We look forward to seeing the draft regulation before it is passed into law. I would expect there would be consultation and discussion on any draft regulation that would change the terms of the grant in the future for the purposes of transparency and good relations between territorial and municipal government and the citizens they serve.

**Hon. Mr. Graham:** I would just like to stand today at third reading and make a couple of comments, mostly because of the fact that, as a former member of a municipal council, it has been a great pleasure for me to see this particular bill go through. During my time as president of the Association of Yukon Communities — I believe it was in 2007 — I was very pleased to participate in negotiations with the then government to see a very healthy increase to the municipal grant fund, somewhere in the neighbourhood of 12 percent — or 16 percent — over a five-year period. That was especially gratifying to me because we had gone approximately 12 years without having a single increase in the municipal grant. So not only did we get a very healthy increase at that time, we also elicited a promise from the then minister to begin negotiations on future changes to not only the municipal grant, but the *Municipal Act* as well.

This today — the third reading of this bill — is particularly gratifying for me to see come through and I wish to thank the minister here beside me for all of her hard work and for shepherding this bill through the process internally, as well as through the Legislature. I think she has done an excellent job and her department has done an excellent job as well. I guess that's about all I had to say, Mr. Speaker, so I thank you for the time.

**Hon. Mr. Istchenko:** I just wanted to rise today to make a few comments on the third reading, but to the bill itself — I know being from a rural community the importance of this grant and the importance of having a community that cares about its facilities, its infrastructure, its dumps, its water and

sewer, its fire. To see this come forward — I know in some discussions with some of our councils and our mayors that they are very happy with this.

I just wanted to stand to commend the Minister of Community Services for all their hard work on this. It's important to our communities to remember that rural Yukon — as we sit here in this House many a time discussing issues in the Legislature — out in the sticks there where some of the other elected MLAs and I are from, rural municipalities are very important, so this is something that they've been looking forward to and I commend this bill to the House.

**Hon. Mr. Cathers:** I'm pleased to rise in support of the *Act to Amend the Municipal Finance and Community Grants Act*. I'd like to again commend the Minister of Community Services and staff of the department for the good work that they have done on this bill and also thank the municipalities that have been involved: the mayors and councillors and staff of the various municipalities and local advisory councils.

I am hopeful that this bill will pass third reading and be able to receive assent from the Commissioner this afternoon to have this bill finalized and have it come into effect.

As has been noted before in discussions, this bill does provide for another increase in the resources to municipalities. It pegs the increases for those municipalities to inflation, which gives them a degree of certainty that did not exist before. After we came in in 2002, the Yukon Party did significantly increase the resources in the municipal grant to municipalities at that point in time. The funding was divided up — there was a fixed pool that was divided up among municipalities. The change in this structure will give municipalities the additional certainty of having their increases not directly tied to those of other municipalities and to pressures there, but rather they will know that based on the calculation of matters, including their population size and the other elements included in the formula, they will have their municipal grant increased based on that and on the increase in the consumer price index.

If memory serves, I believe that in 2008, the total funding to municipalities through the municipal grant stood just in excess of \$12 million. That was increased over the last agreement to an excess of \$16 million. Again, passage of this bill will provide a further increase to municipalities and will enable them to address their needs and pressures. Also, as the minister has mentioned before, the inclusion of an amount provided to municipalities to provide for basic fire support and services in those municipalities that provide municipal fire services is another element that is very important in recognizing the pressures that they have and it complements the significant increase that occurred this year in the community fire allocation for volunteer fire departments that fall under the Department of Community Services and are not operated by the municipality. So, this complementary increase is a part of helping better provide for the resources of those communities. With that I commend this bill to the House.



**Hon. Mr. Pasloski:** I, too, would like to rise to give support to this bill. Certainly we are excited. This government — through the previous two mandates as well — continues to increase its support for municipalities to allow them to be able to provide the programs and services for which they are responsible. This new agreement does create more certainty; it also allows recognition of inflation by putting into the formula the ability to match the CPI so that increases keep up with inflation.

The previous agreement saw this government add considerably more money to the municipalities: an \$800,000 increase each year over the past life of the agreement, the last five years.

This agreement also provides more funding for municipal fire services for these municipalities, and that goes over and above the massive increase of \$1.9 million that we provided to the Fire Marshal's Office. The Department of Community Services does support the development and sustainability of Yukon communities by developing and improving community infrastructure, assisting with and responding to emergency events, fostering strong local governance, promoting the development of recreation and sport and administering a broad range of licensing business and regulatory services for the health, safety and protection of the public.

I did want to take a moment to recognize the role that the municipalities play and this government's commitment to honour and respect their jurisdiction and the role that they play for the citizens of their municipality. The creation of municipalities was to enable government to become even closer to the people. We started out really without municipalities and with the federal government really controlling and making most of the decisions that affected Yukoners and, in fact, citizens of all three territories.

The devolution in 2003 has brought the management of Yukon's land and water resources here to Yukon so that Yukoners have the ability to make those decisions. When you combine that with a government that was creating that climate for economic growth, for responsible growth and responsible stewardship of the environment, the results are there for everybody to see. We've had continued growth and strong financial management through the course of this decade of Yukon Party governance.

We've also seen through this time — going back from when Ottawa was controlling everything that happened — was a creation of municipalities to allow for people within the boundaries of the municipality to have control over many areas of their governance. With some things, the closer it gets to the people, the more it affects them. I know that our city councilors and city mayor hear it when they're supposed to have garbage pick up on Tuesday and the garbage truck doesn't come. That is right where the rubber hits the road.

We have municipalities that are being very responsible and creating opportunities. We're also working with these municipalities to look at the whole *Municipal Act*. I think there will be opportunities to have more consultation there, as we did with this municipal grant when we went out and did our consultation. We will also do that when we look at those opportunities to create better governance for the municipalities.

Of course, Mr. Speaker, when we talk about respecting jurisdiction, that means it should happen all the time. I know that the NDP like to say that they respect the jurisdiction of other governments, and that may be the truth until they disagree. Then, at that point, they sort of throw the baby out with the bathwater. An example of which was in the recent municipal election here in Whitehorse, where the NDP were strongly opposed to development in Porter Creek D which, as we articulated, is the responsibility of the municipal government. This government respects the City of Whitehorse and their community plan and it isn't for us to meddle with the decisions that they want to make.

So I think it's important that we respect and acknowledge and work with different levels of government whether we agree with their position or not. I think that's a consistency that you will see, and you have seen, from this government in the last 10 years.

So this is a very good news story. It's the continuing support — and it's because of the financial management and the economic climate that has been created here in the Yukon that we are able to come forward with discussions and be able to continue to add more money to continue to support these municipalities to deliver on those things that are so important to the citizens of their municipalities. Thank you very much.

**Speaker:** Does any other member wish to be heard?

**Hon. Ms. Taylor:** I would just like to thank all members opposite and on this side of the House for their unequivocal support for this bill going forward.

I just wanted to point out a couple of things, that may have been referenced already. Of course, the comprehensive municipal grant was first established back in 1991, with the original passage of the *Municipal Finance and Community Grants Act*. It's now well over 20 years old and, of course, things have evolved in terms of the governance structure and the number of responsibilities that each and every one of our municipal governments has assumed.

I also just wanted to say that for many of our municipalities the CMG is a crucial source of funding. In some municipalities, it makes up to 65 percent of the revenue — in some of the smaller communities. However, despite the grant for our municipal governments — especially outside of Whitehorse — in the first 16 years of the CMG it only increased by — I think it was from \$11.5 million to \$12.5 million. That was it. In the past five years, that grant has actually increased by more than 30 percent — as the Premier just outlined, \$800,000 each and every year in subsequent increases. So this formula takes into consideration many of the concerns that have been expressed by municipal governments over the years. It is more responsive, and it's more reflective of the communities, as we know them today — and very much so on the transparency end of it.

In terms of going forward with our municipal governments, this is part of the "Our Towns, Our Future" review that was first undertaken or initiated by the previous minister responsible for Community Services. I applaud his leadership on this particular initiative. It's a great example of how the gov-

ernment is working collaboratively to create resilient municipalities and this is but one of many, many initiatives on which we continue to work in collaboration with the Association of Yukon Communities.

As was referenced earlier by the opposition, municipalities have requested regular reviews of the comprehensive municipal grant program to make certain that the program remains current with the needs of the communities. So moving the formula from the act to the regulation will ensure that regular reviews and any ensuing revisions are made in a timely fashion so that the process is responsive to the needs of the municipalities and not a burden on the resources of our communities.

Most municipalities will see an immediate increase in their grant and the new five-year program contains a guarantee that no municipality's grant will fall below the current funding level of 2012-13. In addition to the 32-percent increase in the grant funding that we've seen over the past five years by the Yukon Party government, the new formula will result in the largest ever single-year increase to this funding.

All of these revisions support the ongoing initiatives of importance that have been made known by municipal governments over the past several months and I'm very pleased and honoured to be able to work, hand in hand, with many of our municipal governments and the Association of Yukon Communities.

In closing, I just want to take the opportunity again to congratulate all of the newly elected mayors and councils throughout the territory and to thank them for putting their names forward and thank them in advance for the next three years of delivering services and programs and working on behalf of their constituents. I really look forward to working with each and every municipal government and local advisory council throughout the territory to identify, to address and to work on issues of importance and priorities to all.

I also want to thank the past president, Her Worship Bev Buckway, for her leadership and her vision over the last number of years in her position as president of the Association of Yukon Communities. It is indeed an honour to have worked with this individual and all the executive at AYC over the past year and I wish them all the very best, especially the outgoing past president, Bev Buckway.

So, with that said, I want to thank everyone for their support for this bill. I move that Bill No. 45, *Act to Amend the Municipal Finance and Community Grants Act*, be now read a third time and do pass.

**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. Hassard:** Agree.

**Ms. Hanson:** Agree.

**Ms. Stick:** Agree.

**Ms. White:** Agree.

**Mr. Tredger:** Agree.

**Mr. Barr:** Agree.

**Mr. Silver:** Agree.

**Mr. Elias:** Agree.

**Clerk:** Mr. Speaker, the results are 17 yea, nil nay.

**Speaker:** The yeas have it. I declare the motion carried and that Bill No. 45 has passed this House.

We are now prepared to receive the Commissioner of Yukon in his capacity as Lieutenant Governor, to grant assent to bills which have passed this House.

*Commissioner Phillips enters the Chamber, announced by the Sergeant-at-Arms*

#### ASSENT TO BILLS

**Commissioner:** Please be seated.

**Speaker:** Mr. Commissioner, the Assembly has, at its present session, passed certain bills to which, in the name and on behalf of the Assembly, I respectfully request your assent.

**Clerk:** *Donation of Food Act; Act to Amend the Municipal Finance and Community Grants Act.*

**Commissioner:** I hereby assent to the bills as enumerated by the Clerk.

*Commissioner leaves the Chamber*

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

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

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

*Motion agreed to*

*Speaker leaves the Chair*

#### COMMITTEE OF THE WHOLE

**Chair (Ms. McLeod):** Order. Committee of the Whole will now come to order. The matter before the Committee is general debate on Bill No. 7, *Second Appropriation Act, 2012-13*.

Do members wish to take a brief recess?

**All Hon. Members:** Agreed.

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

*Recess*

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

**Bill No. 7: *Second Appropriation Act, 2012-13***

**Chair:** The matter before the Committee is general debate on Bill No. 7, *Second Appropriation Act, 2012-13*.

**Hon. Mr. Pasloski:** Madam Chair, I'm here now to discuss in general debate the *Second Appropriation Act, 2012-13*.

Main estimates for the 2012-13 fiscal year have expenditures just over \$1.15 billion. This was the fourth consecutive year in which a budget of gross expenditures for the Yukon government exceeded a billion dollars. We continue to provide a significant investment on behalf of Yukoners while maintaining our commitment to fiscal discipline. We do this with a prudent and practical approach to planning, decision-making and to budgeting.

We work hard to develop a strong, realistic budget and we work hard to deliver the programs, services and infrastructure investments funded through this budget.

However, as you are aware, Madam Chair, unforeseen and unplanned events do occur that force the government to revisit its budget plan and make changes where appropriate.

Our strong financial framework allows us the flexibility to be responsive to the many evolving pressures and priorities of the Yukon government. As I stated earlier, at the core, planning and budgeting really requires decision-makers to make choices. The budget process supports us as decision-makers to consider all issues and identify appropriate solutions. The budget serves as both a planning and control tool for government.

Decision-making is not an isolated event. We have to consider emerging issues and priorities as they are identified. This has resulted in the adoptive practice of the Yukon Party government to include end-year adjustments tabled as supplementary estimates for the Assembly's consideration to the original budget.

Of course it is important for all of us as legislators to understand the issue of timing around budget mains and also supplementary budgets and that, as a matter of principle, our government is committed to due process of the collective bargaining negotiations, as we have mentioned. To be able to put provisions in a budget in advance of such negotiations really has a potential for bias in the negotiations, and this government allows negotiations to conclude and agreements to be ratified prior to inclusion in the budget as necessary and appropriate, either in the mains or in the supplementary estimates, depending on the timing. A point in fact for this is the recent agreement with the Yukon Medical Association.

As we have said, this government is committed to ensuring that these processes move forward and for the negotiations to run their course, and I am sure that we have the support of all members of the Legislative Assembly for such a process to occur. We do take seriously the importance of effective processes and procedures in support of our decision-making responsibilities as we prepare to table budgets based on the best and

most current information that we have. But as we mentioned, these things can change through the course of the year.

Now the first supplementary estimates for 2012-13 really provide us with two opportunities. First, it provides us the opportunity to present to the Legislature and to the general public an update on the financial position of the government and what we have as a result. Now that the public accounts for 2011-12 have been tabled, we can use the supplementary estimates as the first opportunity to provide the Assembly with a financial update for 2012-13 that's really inclusive of the final audited results from the last fiscal year.

Also to note, we are not tabling a final appropriation bill and final supplementary estimates for 2011-12 because all of these departments, as we've stated, have managed within their approved appropriations. Again I'd like to acknowledge and appreciate the hard work that was done by the ministers and the departments to ensure that they lived within their means and were able to make those decisions to ensure that they could, in fact, continue to live by the budget appropriations that they had.

This first supplementary estimate details the proposed expenditures that require legislative appropriation authority in addition to the spending authorities that we have already been given through the main estimates that were approved this spring. The *Second Appropriation Act, 2012-13* and accompanying first supplementary estimates for 2012-13 provide for increased spending totalling \$46.014 million. Of this total, \$7.993 million is an increase in the gross O&M expenditures, and \$38.021 million represents an increase to the gross capital expenditures.

I spoke earlier about the timing of the ongoing and evolving nature of decision-making and budgeting. We have also spoken of the government's ability to be responsive to emerging pressures and priorities. We are all aware and, in fact, Madam Chair, you spoke to the topic of the very wet summer that we had and the challenges that ensued for the people of Watson Lake and Upper Liard and certainly the multiple highway washouts that were created as a result of the heavy summer rains that we had.

Now, working with Canada, we have responded to repair damaged infrastructure and to provide that necessary assistance to the residents of Upper Liard.

Other initiatives, as well, are identified in the supplementary budget where the government is being responsive to the priorities of Yukoners. Examples of this funding include support for the implementation of a number of recommendations that were outlined in the report on acutely intoxicated persons, also to enhance municipal structural fire protection services in the Yukon and to establish a residential tenancy office.

As I noted above, this budget provides for increased O&M and capital expenditures of just over \$46 million. These increases result in total government expenditures of almost \$1.203 billion. Of this total, \$269.64 million is allocated to capital for infrastructure improvements throughout Yukon and \$933.137 million is allocated to O&M to support the many ongoing programs and services that are provided by this government for all people of Yukon.

Moving into our summary, financial indicators after incorporating the 2011-12 final audited results and the expenditure and revenue changes detailed in our first supplementary estimates for 2012-13, our government continues to be in a very healthy fiscal position.

*Supplementary Estimates No. 1* presents a forecasted annual surplus of just under \$88 million resulting in an estimated accumulated surplus for March 31, 2013 at \$1.217 billion.

Continuing to avoid net debt, our year-end net financial position is projected at \$125 million. I really again want to emphasize for all members of the Legislative Assembly the significance of having net financial resources as opposed to net debt. This truly is a very significant indicator of our financial health, and it means that this government is not relying on future revenues to provide services today.

This is a very enviable position for the Yukon as very few governments are in this position, and it's something that all Yukoners should be proud of. I'm very pleased with the efforts of the ministers and their department staff who have worked so diligently to implement the principles of sound fiscal management while at the same time also ensuring a strong and effective, yet prudent and sustainable investment here in the Yukon.

Madam Chair, we are not delivering current services, programs, and infrastructure at the expense of future generations of Yukoners — something that the NDP and the Liberals know very well how to do.

Before I conclude, I would like to make a couple of comments before we get started in response to the Leader of the Official Opposition who, yesterday, indicated the reliance from Ottawa for revenue has not changed and that this is a problem.

Canada is a confederation, where all provinces and territories receive significant amounts of money from Canada. According to public information from Finance Canada, Alberta receives 14 percent of its funding from Canada; Ontario receives 19 percent of its funding from Canada; Prince Edward Island receives 41 percent of its funding from Canada; Nova Scotia receives 36 percent of its funding from Canada; Nunavut receives 92 percent of its funding from Canada.

Yukoners deserve their portion of Canada's wealth. Recent increases in federal transfers to provinces and territories have been an acknowledgment, really, of the Harper government that the previous Liberal governments of Mr. Martin and Chrétien only balanced the federal budget by creating fiscal imbalance.

The Liberal government reduced transfers to provinces and territories from 17 percent of the federal budget when Mr. Chrétien took office, to a low of 13 percent in 1999-2000. The Conservative government has restored the historical funding arrangement by rapidly eliminating the fiscal imbalance that all provinces and territories were concerned about.

Currently, the reinvestment by the federal government into the provinces and territories is now 24 percent of the federal government's budget. Since 2003-04, the federal government has increased transfers to all provinces and territories by approximately 77 percent. Yukon's has increased by 63 percent in this time frame. In the same time period, Yukon's own-source revenue grew an impressive 113 percent.

Madam Chair, the federal government recently changed the provincial equalization program due to unattainable growth. However, they maintained and confirmed that territorial financing levels were both sustainable and appropriate. The member opposite surely must realize that the territorial funding grant is our entitlement from Canada to ensure that Yukon receives comparable levels of service at comparable levels of taxation.

Is the Leader of the Official Opposition expecting us to send this grant back to Ottawa? Does she expect us to reduce services? Does she expect us to increase taxation? Because that is the consequence of a territorial financing grant that is less than our rightful entitlement.

Our territorial formula financing grant has grown through time. However, in the past 10 years, our grant, as a percentage of the total revenues, has dropped from 80 percent to 68 percent. Yet the Leader of the Official Opposition says that our dependence on Ottawa has not changed. In the past 10 years, our own-source revenues have grown by 100 percent. Yet the Leader of the Official Opposition says that our dependence on Ottawa has not changed. I have news for the Leader of the Official Opposition: A lot has changed since this government was elected 10 years ago. We have an economy. We have jobs. Yukoners have a future.

Again, I would like to thank all of the officials, specifically within the Department of Finance, but across the organization for all the people who helped put together this supplementary budget and, of course, to the members of the Yukon Party caucus and the ministers, who worked so hard and diligently and responsibly to lead their departments. I also take this opportunity to thank all the constituents of the beautiful riding of Mountainview for the honour of representing them.

Thank you, Madam Chair.

**Ms. Hanson:** I wasn't aware that we were in for another political campaign speech — I thought we were actually in Committee of the Whole — and to honour the presence of the officials from departments and not get into the political rhetoric that has no place when we are dealing — as we heard from the minister opposite today when he lectured the Member for Klondike with respect to the appropriate roles and responsibilities of ministers — in the notion of the separation between the public service and roles of the elected officials.

You know, I guess there are a number of matters that I would take umbrage at from the Minister of Finance's, the Premier's, comments, but there's a certain repetition to the Yukon Party.

I happened to go back and look at the tired refrains we have heard from the Yukon Party over the last 15 — actually 20 years, at various times, when they have had the ability to sit in the place the member opposite is. I would just like to quote from the December 15, 1992, *Hansard*: "Two thousand years ago Socrates warned us about the oldest political trick in the book. It is called 'the big lie'. Repeat a falsehood often enough and some people in your audience will buy it; so also will their friends and neighbours - especially those who depend only on one or two sources for their information. Yet history teaches, that while endless repetition may make a false statement fashionable, it can never, ever make it true."

So to come back to the subject at hand, we are speaking this afternoon with respect to Committee of the Whole matters that the Minister of Finance and Premier have carriage and responsibility for, so I'd like to —

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

#### Point of order

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

**Hon. Mr. Cathers:** In listening to the recent matter from the Leader of the NDP, it was disturbing, in that it seemed the member was trying to do indirectly what she could not do directly. Speakers have ruled on a number of occasions that that is out of order, and the member was, in fact, called by the Speaker yesterday for implying or stating that other members of this Assembly lied. That appears to be what the member did. I would ask you to direct her to retract that.

**Chair:** Ms. Hanson, on the point of order.

**Ms. Hanson:** Madam Chair, I am simply quoting from *Hansard*. In fact, this is a quote directly from *Hansard*. There was no ruling of that being out of order. That was quite acceptable in the parliamentary tradition of this Legislature. So, no, I do not intend to retract it.

#### Chair's statement

**Chair:** I'm going to be looking at the Blues and will provide a ruling tomorrow, if necessary. Ms. Hanson, has the floor.

**Ms. Hanson:** I understand from the briefing by Finance officials that the transfer from Canada, based on a formula that looks at both population and growth in provincial budgets and a number of indices, is — the minister opposite might like to pay attention to the conversation that I'm directing — predicted to grow at a slower rate. Perhaps he would like to have the member beside him answer the question rather than himself.

Do I have the floor or not?

**Chair:** Ms. Hanson, you have the floor.

**Ms. Hanson:** Thank you. As I was saying, the Finance officials informed the opposition and those who attended the briefing that the formula is predicted to grow at a slower rate than the past few years due to an end to stimulus funding, among other factors. Can the minister talk to this Legislative Assembly and give us any information about what the long-term impact on this is for Government of Yukon spending on long-term capital planning? Does it alter multi-year capital plans as they're presently presented in the mains? Further, this budget appears to contain further cost overruns in building the Whitehorse Correctional Centre. Can the minister confirm or deny this? Can he let this House know, as the Minister of Finance, the total anticipated price tag on the Whitehorse Correctional Centre?

We see more money for planning for F.H. Collins. The planning was rushed; we saw that in terms of the photo-ops. Then post-election, the government called time on the project and went back to planning. As the Minister of Finance spoke, he talked about the importance of correct planning and we couldn't agree more; we absolutely do believe that correct

planning is imperative. But we ought to ensure that there is no manipulation of important infrastructure projects for political gain.

What has the government learned from this repeated series of debacles in terms of cost overruns and how, as the Minister of Finance — with the conduct for all financial matters in this government — can he ensure that these types of situations do not repeat themselves?

Can the Minister of Finance explain the reduction by \$5.5 million in the budget for the Ross River recreation centre?

Can the Minister of Finance explain why the government is boosting its surplus instead of spending on key priorities, including the affordable housing solutions?

Can the Minister of Finance explain why the government continues to sit on \$13 million of federal money for affordable housing?

Can the Minister of Finance explain what is in this budget supplement to implement the Beaton and Allen report?

Finally, can the Minister of Finance clarify what is in this budget supplement to implement the social inclusion strategy which has been announced repeatedly by this government and is yet to be articulated with respect to expenditures?

**Hon. Mr. Pasloski:** It was an interesting beginning to the question in terms of her comments with regard to my statement, because I am hard-pressed to not find any statement that's made by the NDP and the NDP leader at any point in time that isn't either critical or political in nature. In fact, unfortunately, that is also even into tributes — within their tributes or perhaps even making tributes to oneself.

There was a plethora of questions, but I guess I will speak to a few things from the beginning. As we've seen in the past, and what is available within the public document, is our projections for revenues, our projections for capital expenditures — basically, our long-term plan. What has been clearly articulated in here shows our transfers from Canada — the rate of increase to be declining significantly in the outward years: from the current position within the 2012 of between eight and nine percent and steadily declining, to 2013 being probably between approximately 1.7 percent to 1.8 percent, and even lower in 2015.

However, if you also look at our money that we are projecting for capital investments, the member opposite will see that there is in fact no reduction. The amount we are committing to capital expenditures continues to remain the same. You know, I have been in business for a long time, and there are many things that you can try to control in business, and there are some things that you cannot control. I have spoken about this on many occasions and, in fact, when talking about this supplementary budget, we talked about things like the flooding in Upper Liard. We mentioned that we couldn't budget and wouldn't budget for negotiations with contracts with teachers, with doctors, with unions because that could in fact create a bit of a bias. So there is always uncertainty, but what is important is our commitment to continuing to foster a climate for economic development and to continue to drive own-source revenues.

We know what's coming, so we will be prudent to ensure that we can continue to deliver on those things that are important to Yukoners in the environment where we'll be seeing our major source of revenues — the rate at which it has been increasing to go down significantly going forward.

As for the members opposite's questions about Whitehorse Correctional Centre, and the Ross River rec centre — I know that our ministers will be very happy to answer those specific questions when we get into departmental detail. Thank you.

**Ms. Hanson:** I have one question first, and after that I'll come back to a second one. When the minister opposite just deferred to the appropriate ministers — my point to you, Madam Chair, is that the Official Opposition at this point has no idea when and which departments will come up for debate. Is the Premier prepared to table a schedule for the remaining sitting days so that, in fact, we don't see the situation where his House Leader does not provide the opposition with any information about what is up for debate that day or the next day or the next day? You would think it would be a rather simple matter for a government that is so attuned and so experienced at public administration to provide a schedule.

**Hon. Mr. Pasloski:** One of my comments when we tabled our main budget back in the spring was that we heard the fever of being able to get all this through and to be able to have the debate on it, at which time I said to the members on the opposite side of the House that while we do our budgeting and we come forward with these documents to continue to move Yukoners forward, to create jobs, to create opportunities for business, to create more opportunities for training, they have an obligation and a responsibility to manage their time wisely so that they will have the opportunity to ask all the questions that are important. We've seen many examples where we have spent hours talking about \$5,000 or a teddy bear program and not getting to some things that I would think that would be a greater priority for the opposition and that they would want to have their due diligence and to be able to debate and ask questions.

So, I will again say to the NDP and all the members on the opposite side that they have the opportunity to manage their time so we'll be able to move forward and ensure that the government can get through the agenda and the issues — all the things that have been identified for this sitting in terms of our supplementary and the pieces of legislation that we have. We look forward to that debate. Thank you.

**Ms. Hanson:** Madam Chair, it is unfortunate that the Premier chooses not to listen to the question, but to have filled his own head with his riposte — his negative put-down of the opposition. What I asked him was if he would commit to setting out and providing and tabling in this Legislature a schedule so that we will know when these briefings will occur. He has, I'm sure, an understanding that the Official Opposition has, by parliamentary convention, an obligation and a responsibility to be prepared and we do engage in full discussion when we have the information, but unfortunately, he has not answered my question.

The question was about the failure of his House Leader to provide the opposition with a schedule, which makes it difficult

for us to deliver on our responsibilities to all Yukoners. We have a responsibility to hold the government to account. I'm not making this up, Madam Chair.

These are the rules. He can't avoid that and he can't avoid the fact that he should have the control of his own Cabinet to be able to direct them and make sure that their officials are available in a timely manner so that we can then proceed in an expeditious way to deal with the supplementary budget and to get on with the other important matters that are before this Legislature before it rises in December.

**Hon. Mr. Pasloski:** We have an extensive list of things that we have worked together on with the members of the opposition. In fact, we had two pieces of legislation that were given assent to today that received unanimous support. We've had a private members' bill from the Member for Riverdale South that received unanimous support. I'm not sure how often that has occurred within the Westminster system across the world. I think we're up to probably at least 10 motions of the government that have had unanimous support, not to speak of the many committees. There has been a tremendous amount of work that we've done together.

In response, though, to what the member opposite is talking about, again, it depends on their perspective. In reality, we are following the processes that have been occurring for many, many years and many, many governments. In fact, it's the same process that was followed by the NDP when they were in power. Now it's one of these flip-flop things again. It is good when they were in power, but now that they are not in power, it's not good. We are following the standard practices that have been followed by governments for many, many years, not only in this here but in other precincts as well.

**Ms. Stick:** I would like to respond to the minister who just spoke, with a bit of support to the Leader of the Official Opposition also. I would just point out that we received these documents last week. We've been doing our homework and going through these documents page by page. Some of them are not even a whole page — very little detail — and there is no recourse for us except to go to the minister and ask those questions or to ask those questions in a briefing.

So far, we've had four briefings — that's only four — and those were Health and Social Services, Economic Development, the Executive Council Office and Finance. These briefings are our opportunity to get that detail from the departments, and it's appreciated. It's helpful to us to be able to then go back to this bill and look at it and understand what's happening. We even had the good fortune of having a minister come to one of those briefings, and it was helpful.

For me personally to be able to do my job better, I do my homework and I read these documents. But detail is missing; we don't know what's going on. In order for us to be able to do this, that's what we're looking for. We have more bills that have been presented in the House that we still have not had briefings on. We want to be able to understand what's happening — what is the intention of these documents. It's not always apparent just from looking at it what the purpose of it is.

I would just, again, suggest to the members opposite that a schedule giving us an idea of when and what we need to be

prepared for would make for better debate in this House — more informed debate, especially if we've had those briefings.

**Hon. Mr. Pasloski:** I'd like to acknowledge and appreciate the comments from the Member for Riverdale South and appreciate the due diligence that she does on behalf of Her Majesty as the Loyal Opposition. This is exactly why we're here at this moment — to be able to have a debate, to ask the questions and to get a response from the ministers who are responsible for the question. So we'll continue to move this forward, whether it's with the pieces of legislation that we have tabled for this session or whether it's about the supplementary budget. I would encourage, again, the members opposite to budget their time accordingly, and the ministers look forward to responding to their inquiries.

**Ms. Hanson:** I guess we'll just let the record show that the Minister of Finance and the Premier refused three times to respond to the question as delivered. He totally skirted the issue of a simple, simple commitment to provide briefings for the Official Opposition, the member of the Third Party and the Independent.

That says something about his willingness to provide leadership for his Cabinet; that's fine.

The minister made reference — and I just want to go back; he didn't answer any of the questions that I raised aside from his skirting of the issue on the procedural matter — but he did raise an interesting point that I would like to ask if he would elaborate on. He identified — I think he used the language "dramatic". I didn't hear that from the officials, but I got a sense that there was a slowing of the rate of growth of the territorial formula financing arrangement between Canada and the Yukon. One of the questions I would ask the Minister of Finance — as well as in his role as Premier — is if he looks at this slowing of a transfer and couples that with what is going on globally and what we hear from industry and other sources with respect to the tightening of the money market in terms of the availability of money or the investment for what we all hope would be sustained and sustainable resource sector — we're seeing that it's very difficult in the private market for that money to be actually committed for the projects that people had anticipated.

I think if we were to read back on the Premier's speeches last year and others prior to him, there were many, many projections about all of these — the number of mines that would be up and operating by now. We did see a huge spike in the economic activity in this territory, which has now decreased dramatically with respect to exploration activity, and the real challenge is to ensure that we provide some economic stability going forward. So, the minister has the responsibility for planning for the future with his Cabinet and that is one of the reasons why I was asking the question with respect to what plans this government has to use its tools and abilities with respect to long-term capital planning. One of the opportunities that government has as it begins to see the tightening of other sources of money flowing into this territory is to use its largesse — its large, large surplus; the amount of money that it does know that it will be receiving over time — to actually begin to stimulate the private sector. This is what we have seen successfully in

prior years in this territory without going into deficit and maintaining an accumulated surplus where in fact the territorial government does invest in significant and lasting legacies for the territory.

I could cite a number of them — Yukon College, Yukon Arts Centre, the cultural centre out in Haines Junction. There are many other ones that have been created like the Watson Lake recreational centre — all of which created private sector jobs, but in recognition of the fact that as things start tightening up out there, the government does have a role. I'm wondering if the Premier and his Cabinet, as they look to the future and at the closing in on some of the world, federal and territorial financial situations, could comment on that.

**Hon. Mr. Pasloski:** A number of questions — I'm just trying to articulate how I'll put this together. There are troubles in the world economy and the global economy. Some of the ones that are very acute right now are some of the member countries within the European Union. We hear talk about spending limits within the United States; that they need to be able to work together.

So, there are some economies that are not that stable and if we continue to have problems it will have a ripple effect — it will. I think there is no one in an integrated global economy that would not be impacted if there are significant changes there. Having said that, there are a number of economies in this global economy — in this world — that are doing quite well, thank you very much. And I think that's exactly one of the things that this government is doing — will continue to do.

We will continue to have conversations — our Minister of Economic Development has been to the States and is going to Europe with the Yukon Gold Mining Alliance. I have recently been on a trip to China, but there are other countries as well. Countries like India, countries like South Korea, have economies that are growing anywhere from seven to 12 percent. So, we have a strong economy here in the Yukon. Our GDP for 2010 was approximately four percent; our GDP for 2011 was 5.7 percent — far, far higher than the Canadian average.

I don't understand the comment about providing government money to spur an economy that's running along last year at more than twice the level of the national average. One only has to look around this territory, and specifically standing here in the City of Whitehorse, to see what our investment in growing this private sector economy has accomplished. There is a lot of construction that is going on here that is not government money. This is private sector money. This is businesses. These are people who are identifying opportunities and have confidence in this economy and in this government, who are making massive investments to be a part of this economy by seeing opportunities. By doing so, they are creating direct jobs through construction and indirect jobs. New businesses, new opportunities here mean more people. We continue to see an increase in our population growth. So, the secondary and tertiary industries all benefit, as well, from this. They hire more people and away it goes. What that then does is it provide more own-source revenues for this government: personal income taxes, corporate income taxes. As I've mentioned, in the last

decade of Yukon Party government, our own-source revenues have increased by more than 100 percent.

We will continue to focus on diversifying our economy. You've heard the Minister of Education speak to the work that we have been doing in terms of mine training. The members opposite know about our belief and our conviction of seeing the Yukon College evolve into a university, and the great economic driver that will create, as well as the knowledge economy that will be created from it. The member opposite mentioned other projects that have not only created jobs in a construction phase but have also now contributed to the social fabric of these communities.

Most members of the NDP were at the ceremony on the weekend, which was the moving and transporting the Healing Totem Pole from Kwanlin Dun Cultural Centre to where it will now proudly stand on display for time immemorial on Main Street. So, we continue to realize and understand the value to this economy to continue to look for opportunities to promote the Yukon, to allow for investment.

We will continue to go out to do exactly that, as I mentioned. The Economic Development minister and I will look at other markets as well to continue to try to foster that relationship.

The other thing that needs to be mentioned is what we call "net financial resources". I think the NDP leader has questioned heritage funds. This exactly is our heritage fund, Madam Chair. We are in that enviable position that we could pay off all of our liabilities and have money left in the bank. This is a very enviable position. We are exactly in that position, but that doesn't mean that we are going to go out and spend all the money. I know that is the first thing the NDP want to do. If there is a dollar there, they're going to spend two dollars. Madam Chair, we need to be responsible. We see what our projections are going to be on the revenue side going forward. We need to ensure that we can continue to deliver, not only on programs and services, but also on capital investment in this territory, and work toward meeting those infrastructure deficiencies that we have, to be able to have more diversified businesses and be able to look at the territory and say, "This is a good place to invest."

Yukon is an excellent place to invest. We'll continue to promote this territory. We'll continue to create opportunities by being supportive. We're very excited about talking to people who want to do business here. We want to ensure that businesses that come forward are responsible businesses and that the net result will always be positive for Yukoners.

**Ms. Hanson:** It's unfortunate that we keep having this default position to political rhetoric. I thought we were dealing with Committee of the Whole.

It's quite easy to go down memory lane, and that is a path that many — not just he — can go down. I'm choosing not to go there today. Perhaps he wasn't here, and perhaps he doesn't know the history of the Yukon Party and the kinds of debacles that occurred with some current members and some members over the course of many Yukon Party — let's say the less than salubrious circumstances they placed the Government of

Yukon in — and the rebukes by the Auditor General, the actual violations of the *Financial Administration Act*.

That's not why we are here today. We are here, ostensibly, despite that the minister opposite keeps going back on his pot-tered version of — perhaps it's not his; perhaps it's his briefing notes; perhaps he's reading old notes from old times. It certainly sounds like, if I go back in *Hansard*, I can read exactly the same things. That's not what we're here for. He has given us lectures, repeatedly, about using our time, and then he will not answer a question.

So I'll try one more time. The minister made some comment with respect to increased own-source revenues and increased personal income tax and increased corporate income tax — well, I can actually see that he's correct with respect to personal income tax, but he's incorrect when he says "corporate income tax". So can he please explain why he talks about an increase in corporate income tax, when it's a zero increase?

**Hon. Mr. Pasloski:** You know, the Leader of the NDP tries to come forward a little holier-than-thou and talks about negativity, takes her shots out there, and then proceeds to ask a question.

Not a statement has come out of this NDP that is anything but critical and negative — this is the Official Opposition. Everything they talk about has a negative context and is critical. I have yet to hear anything positive or constructive or an option. I mean, the Official Opposition — my assumption is they are supposed to be able to tell Yukoners what they would do. We don't ever hear that. I mean, the Official Opposition doesn't have a plan. They don't have a clue what they would do, but we can look back in history to see what they have done. When we talk about debacles — here are a couple of them from the NDP's recent governance.

YDC, at the time, financed the failed sawmill in Watson Lake, and Totem Oil's presence to compete with local businesses. The NDP was loaning money to a private company to compete with other businesses. To me, that's unbelievable. Other examples of NDP failed capital projects include building a 25-person correctional centre in Teslin that sat empty — or, almost completely empty, except for the 20 staff members who cost the taxpayers, in 1993 dollars, more than \$700,000 a year.

The Taga Ku convention centre was another NDP disaster, one in which they avoided the scrutiny of the Legislature and used and lost taxpayers' dollars to fund a commercial venture that did not even exist. Another example of NDP's judgment in regard to capital programs is the building of a visitor reception centre on the Alaska Highway that did not encourage anybody to come to downtown Whitehorse. "We'll just build it up on the highway." Of course, a Yukon Party government has since built the current visitors' facility right here in downtown so that all businesses downtown can benefit from it and it not just be a bathroom stop on the way.

As for the answer to her direct question, after the verbal barb, is that the supplementary does not show an increase in corporate taxes, quite frankly, because it is very difficult in the middle of the year to be able to calculate what exactly that will be, simply because corporations have levers in terms of different credits that they can use. So it's difficult to articulate, but I



would be confident that by the end of the year, we will see an increase in corporate taxes for Yukoners.

With that money — along with the personal income tax money; along with the licences and fees that are paid on top of the money that we collect through Motor Vehicles — all of these things together are creating our ability to increase our own-source revenues by over 100 percent, which will continue to help us deliver on all of those things. All of those initiatives we put forward in our platform we are delivering every day while ensuring that we continue to provide and build that infrastructure that is necessary for us in which to create jobs, create training opportunities and create businesses that ultimately then create more competition, which also keeps our costs down. When we do that, all Yukoners are winners.

**Ms. Hanson:** Well, Madam Chair, interesting, but not necessarily consistent with historical facts, but let's move on if we may. The lack of willingness — perhaps he doesn't want to do it — maybe he's not in the mood today to perform the role of the Minister of Finance or Premier with respect to answering questions. So can we move on, Madam Chair?

**Hon. Mr. Pasloski:** It's an honour and a privilege to be able to stand here and speak again of the consistent delivery of strong, prudent, responsible fiscal management by the Yukon Party government to continue to move forward to meet the needs of Yukoners; to deliver on our platform commitments.

As you would understand, we have a five-year mandate and so it would be impossible logistically and financially to deliver on everything at one time, but we continue to work to deliver the services and programs that Yukoners want and Yukoners need. We're looking at new and innovative things in every corner of this organization.

I stand here very proud of every man, woman and each member of our caucus and our ministers for the fine, excellent job they are doing in terms of delivering for Yukoners, knowing that they have their responsibility to deliver on what we told Yukoners we would do at the election through the mandate letter that each of the ministers received. It was really part of their marching orders to ensure that, working with their departments, they would be able to deliver on all those things this Yukon Party committed to.

Historically, and through the past two mandates as well, we continue to deliver on those things that are important. How do I know that they're important? Because we are standing here in our tenth year, in our third consecutive majority government. That means we are addressing the needs and concerns of Yukoners. We are concerned about all Yukoners; we are committed to ensuring that we aren't raising taxes. We want to keep the money in Yukoners' pockets because that is the right answer. If we can deliver our programs and services, we can allow people to keep money in their pockets. Allowing them to make their decisions about what they want to do with their money will, in the end, make this a stronger economy for all of us.

I'm not sure, but it seems that the opposition has concluded with general debate. I'm just wondering if the Third Party or the Independent member has any questions.

**Chair:** Having finished with general debate on —

**Hon. Mr. Cathers:** May I rise in general debate?

**Chair:** Yes, Mr. Cathers.

**Hon. Mr. Cathers:** Thank you. I'd just rise briefly in general debate in the interest of allowing the Leader of the Third Party and the Independent member time to prepare to engage in debate and ask any questions they may wish to ask or to indicate that they indeed do not wish to engage in general debate at this time.

I'd like to echo the Premier's comments in noting that, really it should be recognized that the supplementary estimates that are now before this Assembly represent a continuation of the good work that has been done by not only ministers and MLAs, but also, very importantly, by officials in all government departments and corporations over the years that the Yukon Party has been in office. We sincerely appreciate that dedicated and capable service that the Yukon receives through its professional public servants, and that the high quality service that we do receive not only as government, but as citizens, certainly is reflected in the fact that the Yukon, compared to most of the country, has done a very effective job of managing its finances, of prudently making capital plans.

Despite that the NDP likes to forget the fact, we have received successive reports from the Auditor General on the Yukon's finances and public accounts, where they have indicated that they accept it as being an accurate portrayal of the Yukon government's financial position without any qualifications, so a clean bill of health — high praise from the Auditor General. That is something that, again, the Liberal and NDP members should be reminded of — that it was not always the case in previous governments. The Liberals and the NDP often had notations from the Auditor General that indeed they had not prepared the finances or the documents appropriately at that point in time. So in fact the clean bill of health from the Auditor General — the comments we have received from them in helping us address areas where we can make further improvements are all an important part of good governance and recognizing that we can always build on the work that is done and there is always room for improvement, which we will always continue to focus on.

I'm looking forward to hearing if we have any questions coming from the Third Party or the Independent Member for Vuntut Gwitchin, as they typically engage in debate at this juncture, and I'm looking forward to whatever comments they might have.

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

We are going to proceed with department review. We will start with Economic Development.

Committee of the Whole will recess for 15 minutes while department officials are rounded up.

*Recess*

**Chair:** I will now call Committee of the Whole to order.

### Department of Economic Development

**Chair:** We are going to continue with debate on the Department of Economic Development. We will start with general debate.

**Hon. Mr. Dixon:** Thank you, Madam Chair.

It's a pleasure to speak to the Department of Economic Development's fall supplementary budget. The context in which this budget is coming forward is an interesting one, especially given the current condition of the global economy. As I mentioned earlier in part of second reading speech, the IMF found earlier this year that economic output was sluggish in advanced economies and relatively solid in many emerging markets, which was referenced earlier today by the Premier as well.

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

### INTRODUCTION OF VISITORS

**Hon. Mr. Istchenko:** I would like to introduce to this House, Mr. Keith Jacobsen and little Kaitlyn, his new kid.

*Applause*

**Hon. Mr. Dixon:** Welcome to Keith and his new kid. I was noting there are a number of factors in the global economy that will have an impact on Yukon's economy in the near and medium term. Of course, Europe continues to be in a state of uncertainty.

The IMF noted earlier in the October outlook that crisis in the euro area remains the most obvious threat to global growth. So it's obvious that the decisions by policy-makers in Europe will impact the global economy and thus impact Yukon's economy as well. The debates about austerity measures in the periphery economies in the euro zone will continue to dominate in the time ahead of us, as well as the debate about the willingness of the German people to continue to provide funding to a number of other economies in that area.

In the United States, of course, as I mentioned earlier, we are in an election currently — not “we”; the American people are in a state of election right now and are casting their ballots, literally as we speak, in some cases. That election will most certainly have an effect on the global economy and Yukon's economy specifically, and I would like to outline a few of those items, in terms of what those effects could be in Yukon.

Of course, if Mr. Obama is re-elected in the States, it's very likely that Mr. Bernanke will stay on with the Federal Reserve, and another round of quantitative easing will ensue. What is likely in that event is that the uncertainty in the global market will continue and gold prices will likely rise.

I know that in my discussions with a number of investment folks and other commodities specialists, some have gone as far as to claim that we could see \$2,000 gold within the next six months, if Mr. Obama is re-elected, which would have obvious implications for Canada and for Yukon.

If Mr. Romney is elected, he has indicated that he would immediately fire Mr. Bernanke and put a halt to any quantitative easing in that country. As well, he also indicated that on his very first day — he did say he would do a lot of things on his first day, so he is going to have a busy one, if he is elected.

He made a lot of claims, but one of them was that he would list China as a currency manipulator, which in my humble opinion, would be somewhat of an unnecessary provocation, which would — well, could potentially even lead to a trade war between the United States and China, which certainly wouldn't benefit Yukon or Canada.

China's growth has remained strong, but it has been decelerating much faster. Projections of its deceleration have been faster than expected, so we have seen that the demand for a number of commodities, including some that are available in Yukon, may be reduced in China.

I mentioned earlier today that the Prime Minister is on a trade mission currently in India where he has, I understand, signed a trade deal to do with the sale of uranium. Although we don't have any uranium production in Yukon, Saskatchewan would certainly benefit from that agreement.

In Canada, of course, we have continuing growth. The Bank of Canada has indicated that it will continue this year. There are a few caveats to that, which I would point out. Throughout the year, the Bank of Canada's governor, Mark Carney, has made a few suggestions and notes to Canadians that I think bear repeating in the House today. One is that household debt remains high in Canada and is something we should be cautioned about; and two, that earlier this year, if members recall, the Bank of Canada governor Mark Carney noted that there is a significant amount of what he called “dead capital” in Canada — that is, companies that have capital. To put it simply, I suppose, they have money in their pockets, but they need to get it out there and spend it. What that effect would have is putting that money, which is effectively what he called “dead capital”, into play.

As I discussed earlier today, any project or company doing work in Yukon that intends to bring an economic project forward in the Yukon will need capital from outside of our borders — outside of the Yukon's borders, that is. If that capital isn't there then we can expect a negative impact on Yukon.

So all this is to say that, while prospects do look good in Canada and the economy certainly looks good in Yukon, there are challenges in the global scene that will have impacts on Yukon, and there are efforts that need to be taken by our government to continue to promote Yukon as a good place to do business and as an attractive place to invest. With regard specifically to the budget, I should note that the department's strategic plan focuses on a number of things: enabling strategic and responsible economic projects; increasing the benefits received from economic projects and activities to Yukoners, businesses, First Nations and communities; and enhancing the competitiveness of the Yukon business environment. This financial document will further our approach to economic development and is directly linked to our vision for building a sustainable and diversified economy, focusing on prosperity for all Yukoners.

The work of the department continues to support all sectors of Yukon's economy. For example, Yukon is an ideal filming location and Yukon's Film and Sound Commission is fielding several inquiries on a daily basis.

The commission worked with Raw TV Ltd. to maximize benefits to Yukon from the production of the reality television series *Gold Rush*, which is broadcast in 209 countries, including Canada, U.S. and the U.K. I know the Member for Klondike will certainly be familiar with that production.

Our mining sector is thriving and the spinoff benefits for our private sector continue to expand as mining projects advance through the various stages of exploration, development and production. The department supports a variety of small- and medium-sized businesses through its funding programs and provides opportunities for business development and market expansion. For example, in partnership with the Whitehorse Chamber of Commerce, the department continues to support the business development program, which is assisting a number of Yukon businesses to substantially increase their business and export revenues. The department also delivers the north Yukon business advisory outreach program in seven Yukon communities. Approximately 120 businesses have accessed the program since it was initiated in 2005, and these are only a few examples of progress we are making as we continue to build a prosperous and diverse Yukon economy by creating and fostering development opportunities.

Speaking of some of the activities of the department, I was remiss in not introducing the staff from the Department of Economic Development, who are here today with us: Karen Mason, who is Director of Finance, I believe, and Stephen Rose as well — or, just “Steve”, as Val likes to point out.

As well, in the Yukon Film and Sound Commission we have a new commissioner, who was hired recently and I haven't had the chance to meet yet, unfortunately. So we'll have to schedule a meeting with her very soon.

To continue, in the operation and maintenance part of this budget item, you will see that this budget seeks approval for revote dollars that support projects with time frames that carry over from the last fiscal year into this fiscal year. A number of funding programs and projects have third-party contribution agreements that were approved in 2011-12, but were unable to be completed by fiscal year-end.

We are asking for revote dollars for the departmental operation and maintenance budget in the amount of \$2 million for the following programs and projects: the regional economic development fund, community development fund, enterprise trade fund, strategic industries development fund, film and sound incentive program, Yukon Cold Climate Innovation Centre, the sector strategic plan for the Yukon Information Technology Industry Society, and the visual arts strategy for the Yukon Art Society. The e-commerce project for the Council of Yukon First Nations, a northern strategy project, also represents revote dollars, as do carryover projects under the community access program.

On the capital side of the budget, the budget requests a total expenditure increase of \$124,000. This includes commitments under the Dana Naye Ventures business development program of \$43,000, and a revote of \$81,000 for the community development trust Yukon entrepreneur support program in support of training and assistance to businesses or individuals in the early planning stages of their business.

Madam Chair, you will see that there is a relatively modest appropriation in this supplementary budget for the Department of Economic Development, but of course it plays well into our activities on a number of fronts that seek to both grow and diversify Yukon's economy.

While I've mentioned a few of the factors and features of the global economy that will continue to influence what goes on in Yukon, we do remain optimistic that the prospects for Yukon's economy are looking good and will continue to be strong. We've seen over the years a significant economic growth in the territory. I believe it has been eight consecutive years of positive GDP growth, as well as eight or nine consecutive years of positive population growth. Those are all positive indicators of a strong economy. Of course, there are challenges that lie ahead, and we'll have to continue to be vigilant in our efforts to develop Yukon's economy.

We are furthering the mandate and objectives of the Department of Economic Development through our quest for our 2012-13 supplementary budget. The objectives of the Department of Economic Development include the continued development of a sustainable and competitive Yukon economy that will enrich the quality of life for all Yukoners. The department continues to pursue economic initiatives with a shared vision of prosperity, partnerships and innovation. The department is also committed to forging partnerships with First Nations in the economic development of the territory. The Government of Yukon continues to strive for a prosperous Yukon that includes the capture of external investments, capitalizing on our geographic proximity to Pacific Rim markets.

The Department of Economic Development looks forward to contributing its part, and working with many partners as we collectively move forward toward an even more prosperous Yukon.

As I note, the proximity of Yukon to the Pacific Rim markets — I should of course note that I did mention China and India — but I should note that there are a number of markets in Asia that we've been considering in our efforts to attract investment to the territory. The Premier mentioned India, and I of course mentioned India as well. There's a belief that India is in a bit of a state of change when it comes to its economy's interest in the kind of activities and resources that are available in Yukon. For instance, the understanding in India of not just gold projects, but multi-stage gold projects, where there is a greater understanding of the exploration and development phases as much as the production phases. I think India is something we should keep our eye on as a department and as a government. South Korea is also a potential market that we may consider reaching out to for investment.

I know the Member for Vuntut Gwitchin has been a passionate advocate of South Korea and investment over the years, and I can tell that he's very glad to see that I'm acknowledging that South Korea is an important potential market for Yukon. So I'll be sure to keep him abreast of those issues specifically related to investment from South Korea.

Europe, despite its upheaval — there still is a lot of private capital in Europe that's available. As I said earlier, we remain focused on Europe as a potential investment attraction area. As

I noted earlier, I had the chance to attend the International Precious Metals and Commodities Show in Munich on the weekend. It was a brief attendance, but it was positively received, and I think it's believed by some of the companies that were involved that it could result in some positive investment prospects for Yukon.

So with that, I know that my time is elapsing, so I will wrap up. As I said, the department does remain focused on — remain very focused — sorry. I'm still recovering from the jet lag, I think, from the trip.

The department remains focused on the initiatives, as outlined here. I look forward to discussing this supplementary budget with members opposite. I know they had a chance to be briefed on the contents of the supplementary budget earlier today, so I'm sure they'll have some very specific questions that I'd be happy to get into now.

**Ms. Stick:** I'd like to thank the minister for his global outlook on the world. I would also like to thank the officials for their briefing this morning. It was helpful. We have not had much time to prepare, given that we were just given this information this morning. But I would like to bring it back down, away from the global and the really giant picture, and talk a bit more about what individual Yukoners and businesses are concerned about these days.

This fall, we experienced a power outage and cellphone outage that had an economic impact on this territory. It certainly did on small businesses, where people were unable to use debit or credit machines, were not able to call — never mind the safety issues of not having access to fire or police or ambulance.

Telecommunications infrastructure is critical to the functioning of our economy, whether you are a small business or a large business for that matter. Without that access to the outer world, without being able to make financial transactions, it has an impact. This outage also reminds us of the great responsibility held by the sole telecommunication provider for the territory and of how much we are at their mercy — or their ability to provide consistent service in all situations. So, what I would like to ask the minister at this point is whether Economic Development is looking at our telecommunication vulnerability and how it impacts our economy, how it impacts individual businesses, small businesses and large. I'm sure it even impacted mines. We didn't hear so much about that, but we certainly did hear from the small businesses and the individuals on the street.

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

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

## INTRODUCTION OF VISITORS

**Ms. Hanson:** I would just like to introduce Linda Bonnefoy from the Yukon Civil Liberties Association.

*Applause*

**Hon. Mr. Dixon:** Thank you. Thanks to the member opposite for the question. It's a good one; it's one we think about on a regular basis. Telecommunications infrastructure in Yukon is indeed very important for Yukon's economy — not to

mention important to our economy, but it's a dynamic situation right now. It's a very unique one that I would like to speak about. But first of all, I will address specifically the outage the member opposite noted. I would note that we are aware and received correspondence from Northwestel about that outage in service and were provided with somewhat of an explanation — I believe it was published in the paper, as well, as to what happened and what their explanation was — but we certainly appreciate that when we are faced with our current situation of having Northwestel as the monopoly and sole provider of a number of services, it does come with some risk and some challenges. Our relationship with Northwestel has been fairly good over the years; we've been able to work with them on a number of fronts — in some cases to bring services to communities that wouldn't otherwise receive them — but of course there have been some challenges and they were evidenced I think in the member's comments.

On September 19, as we know, at approximately 11:30 p.m. a commercial power failure occurred in Whitehorse that resulted in the loss of all services including local and long distance telephone, enterprise data services, Internet and Bell wireless services. Services routed through Whitehorse were also impacted, including long distance services to Yukon, satellite enterprise data services, Internet services and Latitude Wireless services. Local calling continued to function in the communities. As a result of the power failure, network components had to be replaced and a number of system software files were corrupted. Some community residents reported the Internet outage lasted for several days.

I would also note in response to the member's comment about the mines — she inquired if there was an issue with the mines as well. My understanding from most advanced exploration projects, as well as the producing mines, is that they tend to have their own specific satellite system that is probably installed by any number of possible local contractors, but Total North Communications come to mind as one particular example of a company that provides those services that would offer a backup for this kind of event.

While we know that small businesses certainly aren't able to have their own backup systems, large companies or projects like a mine may indeed have a backup system. I can't say that authoritatively, but that's my answer for the member opposite about the mines — at this point.

Of course, as I said earlier, Northwestel issued a letter of apology to the Premier, indicating the completion of their own investigation into the outage and the steps taken to ensure this type of failure would not happen in the future. As I said, I believe those were full-page ads taken out by Northwestel in the newspapers. Northwestel has informed Government of Yukon that they are taking several measures to ensure a similar failure does not reoccur. They include the following: Whitehorse's central electrical system powering Northwestel's network was modified to ensure it can handle an elevated power load, which was determined to be at the root of the cause of the failure at Northwestel; auditing of the complete power infrastructure at Northwestel's central office in Whitehorse to ensure there is no weakness in the system; and developing a plan to decentralize

equipment so not all telecommunications services would be impacted if the central office in Whitehorse loses power and both backup systems failed. So, while we are seeing some actions taken by Northwestel, as I said, there are a number of issues that can occur, and while there are some remedies being proposed by Northwestel for this specific one, there is always the possibility of something else happening that we're not aware of today — that we can't predict.

So I would say that it is a focus of the Department of Economic Development to consider telecommunications infrastructure in the territory. We know that we're connected by a — I think it's literally a very fine cord to the south when it comes to our fibre link. As a number of folks have noted before, those fibre links tend to be magnets for backhoes in the south — in British Columbia and other places. It seems that we regularly hear about some random highway work being done in Dawson Creek or Fort St. John that results in a territory-wide outage of our services, which, of course, is an untenable situation in the long run.

There are a few options that have been discussed over the years. Of course, we know Northwest Territories has proposed a project that would see a fibre link put down the Mackenzie Valley. I don't know about the feasibility of that project or not. It's not my place to comment on Northwest Territories' project, but I would say that if they were to go forward with such a project, as they have indicated they're interested in doing, we would be very interested in seeing how we could combine the work we do with a project like that.

Another possibility that has been discussed — and I know that one private company even went to a fairly far degree to determine the feasibility of it — was the possibility of linking fibre cable to our neighbours in Alaska vis-à-vis Skagway. That would entail an underground cable going from Skagway — the port — to Juneau by way of underwater fibre link. As you can imagine, Madam Chair, it would be a fairly complex endeavour that would be fairly costly as well.

The possibility of either of those major infrastructure projects going forward would depend on a number of things. It would depend on, of course, there being a private sector company willing to undertake the activities. It would probably depend on other jurisdictions, like Alaska or Northwest Territories, working with us and providing some amount of funding, in terms of their own project, whether it is the Mackenzie Valley project or a Skagway project. It's not the kind of thing we would see government doing on its own, but we're interested and we're actively surveying the various options that are out there.

On a different note, and certainly a less feasible note, I would like to mention to the House that there is a project going forward — at least being proposed to go forward — that would see fibre go through the Northwest Passage from Japan to Europe, which is an interesting project. The scope of the activity would be immense. I can only imagine how onerous and difficult a task it would be to lay fibre along such a long and fairly arduous route. Of course, as I mentioned, the consideration we have given to the project with Alaska — which would see fibre underwater from Skagway to Juneau — that alone is

fairly intimidating, let alone a project of such length in the Northwest Passage.

So, I guess, to answer the member's question, yes, we are looking at a number of options around telecommunications infrastructure. We're working with not only the private sector, but other jurisdictions facing similar issues and, of course, working with — in the case of the current monopoly — Northwestel.

Taking a bit of a different note, as I said, this is a fairly dynamic situation. The reason for that is because a number of decisions have been made by the CRTC, the regulator of such things in the Yukon and in Canada, which have raised some — I don't want to say "uncertainty" because that has a bit of a negative connotation — questions about the way that telecommunications are provided in Yukon. I think they have raised some very interesting questions and ones that we have been very interested to see and are very interested to see how they are answered by Northwestel.

The original decision, prior to the bigger one — if you'll indulge me here for a second — which was for a small rate increase, resulted in CRTC requesting of Northwestel a modernization plan, which became fairly well publicized as Northwestel had developed it, and sought some sort of public endorsement for it. They had a fairly aggressive media campaign, which saw their president and CEO do a number of news interviews and articles in the paper. Of course, one of the issues with it was they had asked to tie their modernization plan to an event that was occurring in Canada, which was the purchase of Astral Media, which was a Quebec-based media company, by Bell — or, Bell's owner, BCE.

The interesting thing of that component was that that was a very massive media purchase, which garnered a significant public interest at the national level. It was debated in Ottawa. It was debated across the country. Ultimately, the decision was taken by the CRTC to not allow BCE to purchase Astral. The result of that was that Northwestel had to give a considerable reconsideration — a considerable re-look, I guess is probably a better term — at their modernization plan. Originally, their modernization plan included — I believe it was \$40 million that they had proposed to receive from the purchase of Astral by BCE through a mechanism, which is required through our national laws for media purchases, and that is to ensure that there is a net public good that comes with these sorts of sales. So that would have seen BCE transfer some of the money they had — a percentage of the purchase value of Astral to a fund that would fund projects in the public good. Northwestel proposed that some of that money go toward infrastructure in the north. I know that the NDP, as well as other Yukoners, provided some input to CRTC through letters, which was sought by the CRTC.

Of course, as I said, that Astral purchase by Bell was rejected for a number of reasons, which I don't need to get into, but I assume chief on the minds of the CRTC was the vertical integration of the media system in Canada, but if members wish to follow that up at all, I'm sure that decision and the basis for the decision is all available on-line or available publicly by other means.

The important thing for Yukon was that Northwestel had to reconsider their modernization plan or at least the one they proposed initially. So my understanding at this point is they're in the process now of doing that reconsideration of redrafting a somewhat truncated modernization plan with a somewhat reduced amount — somewhat less ambitious plan — compared to their original one. They'll be presenting it I assume to government and to Yukoners when it's available or when it's ready.

Another interesting activity that's going on — and I mention that it's directly relevant to this budget — is the work being done by the Department of Economic Development with the YITIS — the Yukon Information Technology Industry Society. They are developing a sector-strategic plan basically for the ICT industry in Yukon. While Northwestel garners the most attention for sure, there are a number of smaller service providers in the territory on a spectrum of ICT issues. I think the work that's being done by that society in conjunction with the Department of Economic Development will net some very productive recommendations and some good guidance for government to take forward in developing that sector of the economy.

So, I think what I've tried to demonstrate here is that there are a number of issues going on in the telecommunications infrastructure. They range from very broad considerations of the CRTC — to be frank, the CRTC is looking fairly hard at Northwestel across the north. There is, of course, some work being done by the territorial government in Yukon, along with industry, to determine how best for industry to proceed.

All of this provides a fairly dynamic scenario in which I see this industry going forward. So, as I said, there are infrastructure issues, there are regulatory issues with the CRTC and there are industry issues. I think that should provide a good snapshot for the member with regard to her question about telecommunications and telecommunications infrastructure in the Yukon.

**Ms. Stick:** I think I heard an answer in there somewhere. There was a lot of information there that I wasn't necessarily looking for, but it brought up a number of other questions that I think I'd like to follow up on since they were raised here.

To be clear, as the Official Opposition, the NDP supports this Internet connectivity. It's important to our communities, it's important to individuals and it's important to business in the Yukon. The NDP did give conditional support to Northwestel in their application when they went forward, understanding that we would see some modernization and more access to those services throughout the Yukon, to all communities.

You just have to stand at the airport and watch a plane come in. People come off and turn their cellphones on and realize they don't have anything. There is no calling anyone. If it's like anyone else, my cellphone has all of my phone numbers. It's not up here any more like it used to be. That has to be not good for those individuals coming here on business — political business or government business — whatever. Tourists get off the plane and realize they don't have any connectivity. They come into my store and ask if they can use the phone, because

they don't have any other way — part of the problem being there are not actually a lot of payphones out there on the streets any more either. So it's interesting.

We did support it; we looked forward to it, hoping that our communities, individuals and businesses would have better, more consistent access and not be at risk of those systems going down.

More and more in this day and age, people don't have land lines. None of my kids have land lines; everybody has a cellphone. It's easier to get than a landline. Unfortunately, they pay some of the highest rates. The prices that individuals are asked to pay — contracts of up to three years with no buy-outs and that type of thing — are costly, but the prices we pay for long-distance and for our cellphone service is beyond compare to other countries. I think that's something that needs to be looked at; it's important. But, most importantly, I think the Internet connectivity is important for the communities and for small businesses, because without that, we're not able to reach out to sell our goods in other places and manage our financial transactions as more and more people go with credit cards and debit cards. They're not using cash to do their business.

In light of the time I would like to move that the Chair report progress.

**Chair:** It has been moved by Ms. Stick that the Chair report progress.

*Motion agreed to*

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

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

*Motion agreed to*

*Speaker resumes the Chair*

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

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

#### Chair's report

**Ms. McLeod:** Committee of the Whole has considered Bill No. 7, entitled *Second Appropriation Act, 2012-13*, and directed me to report progress on it.

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

**Some Hon. Members:** Agreed.

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

**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.*