

Yukon Legislative Assembly
Whitehorse, Yukon
Tuesday, March 26, 2013 — 1:00 p.m.

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

Prayers

Order Paper change

Speaker: Before proceeding with the Daily Routine, the Chair would like to make a statement regarding changes to the Order Paper. On March 21, 2013, the Chair informed the House that Motion No. 379, standing in the name of the Member for Riverdale South, had been removed from the Order Paper as it referred to a bill that had passed the House. The motion in question was in fact Motion No. 329, not Motion No. 379. Our apologies.

We will proceed at this time with the Order Paper.

DAILY ROUTINE

Speaker: Are there any tributes?

TRIBUTES

In recognition of National Epilepsy Awareness Month

Hon. Mr. Graham: March is National Epilepsy Awareness Month in Canada. In fact, March 26 has been recognized by the Parliament of Canada as “Purple Day”, in honour of a young Nova Scotia girl with the disorder, Cassidy Megan.

In 2008, Cassidy, with the help of the Epilepsy Association of Nova Scotia, founded Purple Day in an effort to raise awareness about epilepsy. Cassidy chose the colour purple to symbolize the day, as the international colour associated with epilepsy is lavender.

Around the world, 65 million people live with epilepsy. That is more than multiple sclerosis, cerebral palsy, muscular dystrophy and Parkinson’s disease combined.

According to Epilepsy Canada, over 300,000 Canadians struggle with this disease on a daily basis. They struggle with epileptic seizures, and 15,000 additional Canadians will be diagnosed with the disease this year.

Epilepsy is a neurological disorder that shows up like an electrical storm in the brain and manifests itself as seizures. In half the cases, medical experts never do find out what caused the epilepsy. In the remaining cases, some of the reasons or the causes include brain tumours and strokes, head trauma, injury, infection, or systemic illness of the mother during pregnancy, brain injury to the infant during delivery, meningitis and alcohol poisoning.

According to Epilepsy Canada, epilepsy comes from a Greek word meaning “possession.” The Greeks believed seizures were caused by demons and regarded them as a supernatural phenomenon. The true nature of epilepsy has long been distorted by myth and fear and people continue to hold mistaken notions about the disease.

It’s time we all lifted the veil on epilepsy. It’s time we learned that epilepsy is not contagious; it’s not a disease and it’s not a psychological disorder. One in 10 people will suffer a seizure during their lifetime and Yukoners are not exempt. There are treatments available, but they don’t work on everyone. With research and education, we can learn more about this disorder and hopefully find a cure. Around the world, including in Canada, non-profit agencies are hard at work raising funds for research into epilepsy.

This disorder affects people of every age, but mostly children under 12 and adults over 65. There is a lot of misinformation out there and a lot of fear surrounding the disorder, which is why I encourage my colleagues to inform themselves and others during Purple Day and National Epilepsy Awareness Month.

Thank you very much.

Speaker: Introduction of visitors.
 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?

INTRODUCTION OF BILLS

Bill No. 52: Introduction and First Reading

Hon. Mr. Kent: I move that Bill No. 52, entitled *Act to Amend the Housing Corporation Act*, be now introduced and read a first time.

Speaker: It has been moved by the minister responsible for the Yukon Housing Corporation that Bill No. 52, entitled *Act to Amend the Housing Corporation Act*, be now introduced and read a first time.

Motion for introduction and first reading of Bill No. 52 agreed to

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

NOTICES OF MOTION

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

THAT this House urges the Government of Yukon not to support the Yellowstone to Yukon, or Y2Y, initiative that calls for the environmental protection of a vast area of the territory, including the Peel watershed region as the northern anchor, the Wolf Lake ecoregion in south central Yukon and the Upper Liard Basin in the southeast Yukon.

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

THAT this House urges the Government of Canada to endorse the due diligence guidelines of the Organisation for Economic Co-operation and Development to empower Canadians to make informed consumer choices regarding conflict mineral components of products by supporting private member’s Bill C-486, the *Conflict Minerals Act*, an act respecting corporate practices relating to the extraction, processing, purchase, trade

and use of conflict minerals from the Great Lakes Region of Africa.

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

THAT this House do order the return of the reports by two separate independent estimators on the cost estimates for the now-cancelled F.H. Collins school construction project.

Speaker: Is there a statement by a minister?

Prior to proceeding with Question Period, the Chair will rule on a point of order raised yesterday by the Government House Leader.

Speaker's ruling

Speaker: Yesterday during Question Period, the Leader of the Official Opposition said the government has “fostered a culture of their way or the highway”. The Government House Leader then rose on a point of order and said that the statement by the Leader of the Official Opposition constituted a breach of Standing Order 19(g).

The Official Opposition House Leader then intervened and said that there was no point of order and that the Leader of the Official Opposition had only expressed her opinion “of the actions of this government and the consequences thereof”. The Chair committed to review the Blues and return to the House with a ruling.

Standing Order 19(g) says, “A member shall be called to order by the Speaker if that member imputes false or unavowed motives to another member.” In reviewing the statement made by the Leader of the Official Opposition, the Chair does not find that the statement by the member breached Standing Order 19(g). Therefore, the Chair does not find that there was a point of order in this case.

We will proceed at this time with Question Period.

QUESTION PERIOD

Question re: Capital project expenditures

Ms. Hanson: The Premier and his crew get some excellent help from their communications folks and the word-smiths deserve recognition for the unenviable task of trying to craft a silver lining out of this government’s failures to knit the proverbial silk purse out of a sow’s ear.

“We are fiscally responsible,” says the Premier, to deflect criticism of the years of bungling and millions wasted around the F.H. Collins replacement project. “Prudent financial decision” is the Premier’s new spin for the Yukon Party government’s debt financing shell game that started with the mismanagement of the Watson Lake multi-care facility and grew to become two hospitals they hadn’t budgeted for.

The Auditor General’s most recent damning report becomes a planning opportunity. When can Yukoners expect to get the straight goods from this government instead of spin?

Hon. Mr. Pasloski: As I’ve mentioned previously, I’d like to compare using an analogy with homeowners. Once a year they have an opportunity to pay down extra debt if they have some money. If they’ve saved some additional money,

they can make a lump sum payment on their mortgage, which allows them to decrease the total time of amortization and lower their payments, if they choose, or continue to make those payments and finish their mortgage quicker.

This government, like all governments and large businesses, finds times when it is prudent to borrow money. As it stands today, because of the strong financial position that this government is in — because of the great work of the two successive Yukon Party governments before us and ourselves — we have some money in the bank and that’s exactly what we’re going to do. We’re going to take some of that money — \$27 million — and we’re going to pay that down on our debt — on our mortgage — and we’re going to save \$12 million in interest charges as a result of that payment. That’s being responsible. That’s looking after Yukon taxpayers’ money.

Ms. Hanson: The Premier is belatedly very generous. Most Yukoners don’t pay down their neighbours’ mortgages. The Yukon Party has been in power a long, long time. This is a tired government, with a long history of abusing the public purse. Let’s consider some aspects of their fiscal record.

After saying they would never run a deficit, the Yukon Party government produced two deficit budgets in a row. The Yukon Party government was caught violating the *Financial Administration Act* on numerous occasions. The Auditor General has tabled scathing reports on problems with how this government spends taxpayers’ dollars. This is not a new phenomenon. It does reflect problem behaviour.

Yukon people are generous and forgiving, but this government’s nonchalant attitude with the public purse is wearing thin. It will take more than spin to re-establish the public’s trust.

What has the Premier learned from the F.H. Collins debacle and the Auditor General’s damning report and what will he do differently to ensure that major capital projects are properly planned?

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

Hon. Mr. Pasloski: This is, as you know, my second budget as Premier and Finance minister, and I am certainly very proud that this government is able to put \$27 million now to pay down government debt, and I’ll stand here and be proud of that all day long.

When it comes to F.H. Collins, as I have previously articulated, when a project goes forward with two independent estimators giving us prices that are very similar, and we come out with a price that is \$10 million overbudget before we even start the construction, that doesn’t make financial sense to this government — to this Finance minister — because for that \$10 million extra dollars, there are a lot of things that this government can and will do in the delivery of health care, in roads, and even building other schools in this territory for Yukoners.

Ms. Hanson: I would remind the Premier that was a debt that neither he, as Premier, nor his predecessor justified in this Legislature. In their long time in government, the Yukon Party has a significant record of major cost overruns for projects. Examples go as far back as the athletes village, Tantalus School, Whitehorse Correctional Centre and the new hospitals,

which were announced without any needs assessment, are overbudget and will not be completed on time. The Dawson sewage project is a mess of their own creation. They used debt financing to avoid public scrutiny. It's time for an end to politicizing major infrastructure expenditures, such as at F.H. Collins, and learn from the many mistakes of the past to strengthen oversight so major projects don't go off the rails.

The question is simple: What comfort can the public take that the Premier has learned from the many mistakes and will in deed, not just in words, be fiscally responsible with the public purse?

Hon. Mr. Pasloski: I have a flood of things — I'm not sure which one to go for in terms of a response to this question. I guess I can just reflect on some of the financial management of the New Democratic Party in their last time of being in power. During that time, there was a mass exodus of people and loss of jobs as a result of their government.

We continue to invest in things that will make a positive impact for Yukoners in the long term, unlike building jails in Teslin or building visitor information centres on the highway, so that rubber-tire traffic wouldn't actually have to come into downtown Whitehorse — they could just use the bathroom and carry on.

There's the Taga Ku project as well — the list would go on and on and on, Mr. Speaker. This government will stand tall and proud for the jobs they are doing and the accomplishments they have made, and we have done so in a financially responsible manner.

Question re: Affordable housing

Ms. White: Ever since the last election, the Official Opposition has stood in this House and called on the government to develop a comprehensive housing strategy to address the housing crisis in our territory. We were told by the government over and over again that they had the answers, as found in their 2011 election platform. Suddenly, today, after a year and a half of inaction, the government announced that it would develop a housing action plan for Yukon.

Mr. Speaker, while I appreciate that this government now recognizes it has failed to address the housing crisis since the start of its mandate, the minister now has some explaining to do.

How does the minister justify telling Yukoners he has had a plan for the last year and a half, and then this morning acknowledge that in fact no plan existed?

Hon. Mr. Kent: In October 2011, Yukoners elected us with the understanding that we would take immediate action on pressing needs in housing — pressing needs such as seniors housing, for adults with FASD and for women fleeing abuse, which were priorities that we acted on. We acted on lot and land development for Yukoners to the point now where there are lots available for sale over the counter.

We took an awful lot of immediate action at the start of this mandate and now the time has come to develop an action plan, and the keyword in that action plan is "action". That's what we've been doing and that's what we intend to continue to do.

Ms. White: I think there are many Yukoners who would beg to differ on their definition of "action." What we've seen today from the minister responsible for the Yukon Housing Corporation is an admission of the Yukon Party government's failure. The NDP has called on this government to develop a housing strategy since before the last election. The minister has repeatedly said that he had a plan. Today he announced the Yukon Party government would finally start to develop one. Yukoners can't be fooled. They know that this housing crisis could have been lessened if the government had acted earlier.

To date, can the minister tell us today how many affordable rental units the government has helped create over the last year and how many people did they house since last year?

Hon. Mr. Kent: What I can inform the House, as I have on a number of occasions, is about the accomplishments of the past five years — all that investment in social housing, in seniors housing throughout the territory — but let's talk about the last year of this new Yukon Party government where we've spent millions and millions of dollars on lot development to the point where lots are now available for sale over the counter. Let's talk about the Options for Independence, or Betty's Haven. Let's talk about the youth shelter or the investment in seniors housing in Whitehorse and in the community of Mayo. There are a number of things — let's talk about the down payment assistance program that we recently announced.

We've taken a number of actions, pressing actions, that Yukoners identified to us leading into the election campaign of 2011. Now we're looking for a longer term plan and vision, and that's what we're planning to deliver.

Ms. White: The government has been pretending that it had a housing plan all along. Today they are announcing that they will come up with one. No matter how this government tries to frame it, what they've done today is admit that they did not have a plan over the last year and a half. Millions of dollars — they are not helping us right now.

What I asked is this: How many doors have opened in the last year? How many beds have been made available in the last year? Lot 262 has been scrapped — gone is the innovative approach. Lots at Grizzly Valley and Whistle Bend are too expensive. Single-family houses go for \$400,000 and many people who need housing won't be able to afford them. The vacancy rate is stalled at 1.5 percent. Rental unit prices are through the roof and homelessness is on the rise.

Mr. Speaker, why did the Yukon Party government wait a year and a half before listening to us, the NDP, and start to develop a comprehensive strategy?

Hon. Mr. Kent: While the NDP would have been mired in strategy planning, we were taking action. We were taking action on the housing needs of Yukoners with lot development, with the Options for Independence project, with Betty's Haven, the youth shelter, seniors housing in Whitehorse and Mayo. But not only bricks and mortar, Mr. Speaker — there are programs that we have put in place as well.

When we were elected, as I mentioned, there were pressing needs for Yukoners with respect to housing needs that we identified in our platform, many of which are underway, and now

there is an opportunity for us to work on an action plan for housing across the territory and that's exactly what we intend to do.

Question re: Energy supply and demand

Mr. Silver: I have a question for the Minister of Energy, Mines and Resources. There has been a great deal of discussion about the situation we find ourselves in with respect to a looming power supply shortage in the Yukon. We are fast approaching a power-supply cliff. Even the minister will acknowledge that. A decision by a major mine to go into production would likely push Yukon Energy beyond its current generating capacity, leaving us no choice but to burn diesel to meet the increased demand. Currently the *Public Utilities Act* obligates the government to allow these large industrial customers to be hooked up to the grid. It doesn't have to be that way. To get around this obligation to serve, the government could simply amend the *Public Utilities Act*.

Has the government considered this idea and, if not, why not?

Hon. Mr. Cathers: I would be pleased to inform the Member for Klondike that, in fact, the obligation to serve in the *Public Utilities Act* is not an absolute. It does leave government sufficient discretion around large customers. We have taken a look at it. We have legal advice on that basis and if further adjustments are needed we would, of course, make those as well.

The answer, clear and simply, is that when it comes to a large customer like a mine, there is discretion for government to determine that it's not in the public's interest or ratepayers' interest to hook up that customer and I have made it clear to the boards of the Yukon Development Corporation and Yukon Energy Corporation that the government's perspective is that we need to carefully evaluate adding new mines to the system to determine whether it's in the public's interest and ensure that we are not placing a burden on the taxpayer or ratepayers as a result of that.

Mr. Silver: Mr. Speaker, any new large industrial customer hooking up to this grid is going to cause Yukon Energy to burn significantly more fossil fuels and likely raise rates and bills for our taxpayers. The additional electricity will also cost significantly more than the cost of our present generation. We are close to an energy cliff and we need to act before the ratepayers end up falling off into much higher bills. The task before the Yukon Energy Corporation is a challenging one, dealing with multiple potential customers, all with uncertain start and end dates. Last fall, the minister said, and I quote: "... we want the corporations to be very much focused on minimizing the financial risk to ratepayers and taxpayers ..."

An obvious way to reduce this risk to taxpayers or the ratepayers is to say "no" to large industrial customers unless the terms of the deal make sense for us.

Right now we are obligated to hook up, even if it means higher rates for everyone else. Will the government minimize the risk to the taxpayers by eliminating the obligation to serve altogether?

Hon. Mr. Cathers: I appreciate the Member for Klondike repeating my words from last fall. As I indicated earlier, the obligation to serve under the *Public Utilities Act* is not

an absolute. We have legal advice from Justice that indicates there is sufficient discretion for government and the utilities and their boards, not to mention the Yukon Utilities Board, which actually reviews any proposed energy project, including power lines over a certain size. There is discretion to determine that hooking up a large industrial customer is not in the best interests of taxpayers and ratepayers. We look at that in considering whether that should occur — it must be in the best interests of taxpayers and ratepayers.

A couple of things I would draw to the member's attention. The current consultation on the gas processing regulations is very relevant to this discussion. I would encourage the member to look at it and encourage the member and members of the public to review this, because it does very much apply to any mine or to utilities that might choose to use liquefied natural gas as a generation solution.

At this point in time it looks like the operating costs are probably roughly one-third that of diesel and the capital cost is roughly the same. So there is certainly some sense to it, particularly for an interim solution and additional capacity on the system. I understand that you're indicating my time is running out, Mr. Speaker, so I will add more comments later.

Mr. Silver: This Yukon Party government has had years to plan for the industrial expansion that is on the way. This expansion is bringing with it increased demands on electricity. Unfortunately, ratepayers are going to be on the hook for increased costs of burning more diesel because of the lack of planning from this government. We hear about liquefied natural gas, but that's all we're doing so far — just hearing about it. They knew the demand was coming and didn't prepare for it. They have spent a lot of money on projects that have not moved much further past the drawing board. The result is the cliff we face today.

The corporation keeps signing agreements with mining companies to supply power without that supply being in place. That means more diesel. I will ask the minister once again to examine the idea of eliminating the obligation to serve these customers. At the same time, I will encourage him to move ahead on an independent power policy that will allow some of these mines to supply their own power.

Will the minister agree to examine these options?

Hon. Mr. Cathers: Of course. First of all, the member made a misstatement in suggesting the government has not done anything on planning for liquefied natural gas generation, if the member would focus his attention on the gas processing regulations currently up for consultation.

If the member recalls last fall during debate on the Yukon's *Oil and Gas Act*, I mentioned the amendment in that act specifically aimed at allowing us to develop these regulations and mentioned the timeliness of this. Of course, both the Yukon Electrical Corporation in Watson Lake — is looking at a buy-fuel solution, that being to burn liquefied natural gas in its current diesel generation system — and the Yukon Energy Corporation is looking at the potential for replacing the diesels that — particularly ones that are becoming time-expired in their lifetime as units — with liquefied natural gas generation

units. That decision has not been finalized, but is in the process of being considered.

What I would point out again to the member is the regulation out there is very relevant to this, as far as the duty to serve goes. As I've said before to the member, the duty to serve is not absolute and, in the case of all potential major industrial customers, there are a number of steps before any mine would be given the ability to hook up to the grid. We will evaluate that very carefully before making a decision.

Question re: Physician recruitment and retention

Ms. Stick: We heard announcements made by this government in the fall about a new funding agreement with the Yukon Medical Association for the recruitment and retention of physicians in the Yukon. This announcement included the amount of \$8.5 million. It's a case of déjà vu.

In 2006, the Yukon Party identified \$12.7 million toward a similar strategy that made health and human resources a top priority.

The Official Opposition sent a letter to the Minister of Health and Social Services in September 2012 and sent it again in the new year. We are looking for answers.

Mr. Speaker, can the minister tell this House how many doctors were recruited and retained in the Yukon with the first \$12.7 million?

Hon. Mr. Graham: Mr. Speaker, as good as I am at this job, I find it difficult to answer what happened from 2006 to 2011. I don't know what happened with that original \$12.7 million.

Ms. Stick: I would remind the minister that we did send a letter — twice now — with those questions.

Throwing money at a problem is not the same as taking appropriate action. When many millions of dollars are being spent on physician recruitment and retention, surely it is reasonable to expect clear, measurable goals and results. The latest 2013 announcement of \$8.5 million for hiring and retention brings this total to \$20 million.

Mr. Speaker, can the minister tell this House the specific goals and desired outcomes for this money? Or, in the Yukon Party style, is his department spending another \$8.5 million without a plan?

Hon. Mr. Graham: I am hurt. I really believed that the member opposite hung on every word that I spoke here in this Legislature, and it's obvious that she doesn't.

In the first instance, the \$8.5 million is over a five-year period. It also includes such things as the purchase of a seat at Memorial University that we pay for and we recruit medical students into with a return-for-service agreement. That is part of the retention and return-of-service bonus.

We also increased the bonus for physicians who stay longer in the Yukon and, oddly enough, now two provinces have just recently matched the Yukon's \$100,000 bonus over a three-year period for physicians who remain in those provinces as well.

But there are a number of other items within that \$8.5 million, such as training work that we do with the Yukon Medical Association in terms of a number of other issues. So the \$8.5

million does not go specifically to individual doctors staying in the territory. It meets a whole number of issues.

Ms. Stick: The Official Opposition would be pleased to have that in writing from the minister, since we have written the letter twice now. This government has asked doctorless patients and families to register on their on-line registry. We support good information gathering; however, this exercise alone will not address our current health care crisis.

A further twist is the recent resignation en masse of the members of the Yukon Medical Council, the governing body that is responsible for regulating the practise of medicine and medical care provided by licensed physicians in the Yukon. The situation seems to be spiralling out of control.

The growing crisis of doctor recruitment and retention has now cost Yukon taxpayers millions of dollars with almost nothing to show. Can the minister tell this House what concrete action will be taken — and when — to address the critical shortage of doctors?

Hon. Mr. Graham: It's interesting that the member opposite pays no attention to some of the other items that have come up in the Legislature over the last little while. The number of doctors in the territory over a 2.5 year period during 2008-11 went from 56 doctors as permanent residents here in the Yukon to 73, so that's a positive outcome.

We now have students in medical schools who will be returning to the Yukon and staying here. We're talking about students who have homes in the territory, who live and reside in the territory; they will be coming back. We have other recruitment activities going on. We have hired a full-time person now to pursue additional doctors throughout the country. We're working in concert with the Yukon Medical Association to try and recruit doctors, but the bottom line here also is that these are private businesses and we have to have private businesses that are willing to accept new doctors into the territory. That's also something that we're working on very closely with the Yukon Medical Council to make sure that when we recruit these doctors there is somewhere to bring them here to the territory.

Question re: Dawson City and Watson Lake hospitals

Ms. Stick: Overbudget and behind schedule — the new hospitals in Dawson City and Watson Lake are facing many challenges. Costs are still adding up, but initial estimates have annual operating costs going up as much as three times what they previously were. The Auditor General was clear in his audit that planning was inadequate.

We have heard that Dawson hospital laundry will no longer be done in Dawson, but rather it will be trucked back and forth to Whitehorse on the north Klondike Highway.

Mr. Speaker, can the minister confirm for the House that hospital laundry will be transported up and down the highway, and whether this applies to Watson Lake as well?

Hon. Mr. Graham: I have 1,435 employees, I believe, in the Department of Health and Social Services. There are probably another 400 or so working in the Hospital Corporation, and we run a huge number of programs.

For the member opposite to think that I know the details of where the hospital laundry in Dawson or Watson Lake is going has gone from the sublime to the ridiculous.

If the member would like an answer, I would be happy to provide her with an answer at a later date.

Ms. Stick: Mr. Speaker, it might be ridiculous, but it's in your reports. It's written there. We found it; we read it. We saw what it said. This decision seems wrong on so many levels. We have the centralization of services in Whitehorse, with the resulting loss of real jobs in the communities. Do we know what the safety standards are for storing and transporting dirty hospital linens? What about the increase of greenhouse gas emissions to ship laundry back and forth? Yukoners feel their health care dollars are being squandered when the federal government is signalling that cuts to health care transfer money are coming.

Can the minister show that shipping of communities' or hospitals' dirty laundry to Whitehorse is the most cost-effective and environmentally friendly option? Can he further explain how this approach serves the interests of Dawson City or Watson Lake when the work could be done there instead?

Hon. Mr. Graham: I'll be happy to provide an answer to these questions for the member. I would expect that the hospital board and the Hospital Corporation in their work planning for the hospital in Dawson City and in Watson Lake would have considered these and they would have made a decision based on facts. I will look forward to hearing those facts from the Hospital Corporation and presenting them to the House.

Question re: Hydraulic fracturing

Mr. Tredger: I must admit that I am deeply concerned by several parts of the Premier's Budget Address. One in particular is the Premier's enthusiastic boosterism of Yukon's shale gas potential. In particular, the Premier identified the massive fracking play that Apache Corporation of Houston, Texas is undertaking in the Liard River Basin and how this is "promising".

Let this House be clear, Mr. Speaker. Shale gas development means hydraulic fracturing — or "fracking", as it is more commonly known. Fracking is the predominant method for extracting natural gas from shale rock formations.

When did the Premier and his government decide that fracking for shale gas was a good thing for the Yukon, for the people and for the environment?

Hon. Mr. Dixon: I thank the member opposite for the question. Of course, with regard to any activity that is undertaken in the Yukon, we need to have a good understanding of what the activity is and how it is going to operate to responsibly manage it, regulate it and assess it.

The Department of Environment and the Department of Energy, Mines and Resources review all planned oil and gas exploration and development activities in detail, including the level of pre-project baseline information available for assessment and regulatory processes. Last year in this House, we passed a motion that indicated that, before any regulatory approvals or permitting that allowed the use of hydraulic fracturing in the territory were to be undertaken, we would facilitate

an informed public dialogue about the oil and gas industry, including risks and benefits of hydraulic fracturing.

I was terribly disappointed to see that the NDP voted against that motion and voted against having such a dialogue with Yukoners about this important decision that Yukoners will have to make.

I find it disappointing again to hear the member opposite raise these issues and yet vote against a motion to pursue a dialogue with Yukoners about this issue.

Mr. Tredger: The Official Opposition voted for a full public consultation. The Yukon Party voted for a limited public dialogue. That difference speaks volumes about who supports public accountability and transparency: This side of the House.

This government fought against a Yukon-wide public consultation on fracking and shale gas development in the territory. In the end, the government committed to a limited public dialogue about the risks and benefits of fracking before any regulatory approvals or permitting is allowed in the Yukon. I realize that there are no approvals pending at this time, but it would appear that the Premier's boosterism is putting the cart before the horse.

How does the Premier reconcile his commitment to engage Yukoners first, while at the same time promoting his vision of fracking in the Yukon?

Hon. Mr. Dixon: I think we should review what in fact the NDP voted against last year in the House. They voted against conducting a full and rigorous scientific review of any proposed oil and gas project at each of the following stages of oil and gas development: exploration, production and reclamation.

They also voted against the Yukon government facilitating an informed public dialogue about the oil and gas industry, including the risks and benefits of hydraulic fracturing before any regulatory approvals or permitting allows the use of that activity in the Yukon. So it's clear that the NDP is at distant ends of the spectrum when it comes to what the reality is and what they say in this House. They've discussed the idea that they are open for transparent discussions, but then vote against a motion to that exact effect.

Mr. Tredger: We are still waiting for that full public dialogue. Yukoners can see the trend emerging. First, the government pays lip service to the consultation process around the Peel watershed land use plan while trying to undermine the plan and steer the public consultation to the position they want. Now we see the government making vague commitments about limited dialogue on fracking while blatantly promoting it. It would seem that the fix is in yet again. Will the Premier tell this House why Yukoners should believe that his government does not have an agenda to push through shale gas development and fracking in the territory?

Hon. Mr. Dixon: Mr. Speaker, as I've said very clearly, before any activity is undertaken in this territory, we need to understand what the activity is. We need to understand that we have a certain degree of understanding of the baseline information before we allow it to occur, and of course we need to understand that it needs to go through a number of processes, including our own regulatory process, as well as the environ-

mental and socio-economic assessment process that we have established in this territory.

Once again, I can't be any clearer. We indicated last year that before any such activities were to be approved or permitted, we would facilitate and inform public dialogue about the industry itself and about potential risks and benefits. That's something we intend to do of course. That's going to be an important process, and we want to make sure that we establish that correctly so as to maintain the public trust. We'll be happy to update the House on that process in due course.

Speaker: The time for Question Period has now elapsed.

Notice of opposition private members' business

Ms. Stick: Pursuant to Standing Order 14.2(3), I would like to identify the items standing in the name of the Official Opposition to be called on Wednesday, March 27, 2013: Motion No. 368, standing in the name of the Member for Whitehorse Centre and Motion No. 369, standing in the name of the Member for Takhini-Kopper King.

Mr. Silver: Mr. Speaker, pursuant to Standing Order 14.2(3), I would like to identify the item standing in the name of the Third Party to be called on Wednesday, March 27, 2013: Motion No. 364, standing in the name of the Member for Klondike.

Speaker: We will proceed to Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 9: *Interim Supply Appropriation Act, 2013-14* — Second Reading

Clerk: Second reading, Bill No. 9, standing in the name of the Hon. Mr. Pasloski.

Hon. Mr. Pasloski: Mr. Speaker, I move that Bill No. 9, entitled *Interim Supply Appropriation Act, 2013-14*, be now read a second time.

Speaker: It has been moved by the Hon. Premier that Bill No. 9, entitled *Interim Supply Appropriation Act, 2013-14*, be now read a second time.

Hon. Mr. Pasloski: Mr. Speaker, I am pleased to introduce Bill No. 9, the *Interim Supply Appropriation Act, 2013-14*. This act requests spending authority, which, in total, is not to exceed \$407,383,000.

The purpose of this spending authority is to defray the various charges and expenses of the public services of Yukon for the two-month period of April 1, 2013, through May 31, 2013. Of this total amount, \$267,871,000 is provided for operation and maintenance and \$139,512,000 is provided for capital. The full details of these expenditures are included in the main estimates and will be fully discussed and debated during general and departmental debate on the 2013-14 main estimates.

In closing, I move that Bill No. 9, entitled *Interim Supply Appropriation Act, 2013-14*, be now read a second time.

Ms. Hanson: Of course the Official Opposition, the New Democratic Party caucus, will be supporting the interim supply, so my comments will be very brief, as were the Finance minister's.

This is standard practice for this government to bring in an interim supply bill at this time of the year in order to ensure that the operations of government do continue, that non-governmental organizations continue to function, and that capital projects continue to proceed to keep those people in the private sector employed on those projects.

There are perhaps ways that we could remedy this having to happen in the future. We could convene more early in the new year; we could have more thorough debate, perhaps, on the budget prior to the fiscal year. It's the right of the government not to do that, but I would suggest it would be wiser to move quickly on this aspect so we can get to the mains for 2013-14.

Mr. Silver: I have a few brief comments on Bill No. 9, the interim supply bill.

First off, I'm very pleased with the Yukon Party actually coming to the Legislature and asking for spending approval. The former version of the Yukon Party government, of which there are a few current members who were part of it, simply used to use special warrants to spend taxpayers' money and avoid this Chamber. So this is a more open and accountable way of doing business, and I congratulate the Premier on adapting this new approach.

Another change from previous years is the fact that lump sum payments are being made to Yukon municipalities and to the Hospital Corporation up front instead of quarterly. This is another change from how the Yukon Party at one point did business and, again, it is a good idea. It allows organizations to collect interest on their annual grants over the course of the year.

With regard to the transfer to the municipalities, while it has been increased in recent years, this year the increase does not go far enough. There remains a fiscal imbalance in the Yukon, where the territory continues to receive more money than it needs and the municipal governments have the opposite problem. It has left the City of Whitehorse, for example, in a position where it has been forced to raise taxes year after year in order to balance the budget. It is all the same taxpayers and there is really no good reason that taxes continue to go up at the municipal level when the territory continues to sit on over \$125 million.

An increase of only \$1 million to the transfer to the city would eliminate the need for the city to raise taxes. This is an issue that I intend to raise with the Minister of Community Services during debate in her department. There are many other issues with the way the Yukon Party has constructed this budget, but we will leave those to the debate on the mains.

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

Hon. Premier.

Hon. Mr. Pasloski: In closing, I would like to say that, contrary to the Member for Klondike, this year's budget sees the largest single increase in grants to municipalities that has ever occurred in the Yukon — this year. This is on the back of increasing grants every year in excess of, I think, \$800,000 annually in the last agreement.

We're very happy to have a great working relationship with the Association of Yukon Communities and the great collaborative work between the Minister of Community Services' department and members of the municipalities to reach a new agreement, actually going forward — a very innovative new agreement. All the municipalities were very excited to sign on and complimented the government for their forward thinking. This government and all municipalities have an obligation to live within their means. They can forecast their revenues and their expenses. It's something that we not only do as governments, but we all do individually in our personal lives as well. So with that, I will close comments on the interim supply bill.

Motion for second reading of Bill No. 9 agreed to

Bill No. 8: Third Appropriation Act, 2012-13 — Second Reading

Clerk: Second reading, Bill No. 8, standing in the name of the Hon. Mr. Pasloski.

Hon. Mr. Pasloski: I move that Bill No. 8, entitled *Third Appropriation Act, 2012-13*, be now read a second time.

Speaker: It has been moved by the Hon. Premier that Bill No. 8, entitled *Third Appropriation Act, 2012-13*, be now read a second time.

Hon. Mr. Pasloski: I am pleased to introduce Bill No. 8, *Third Appropriation Act, 2012-13*, along with the companion budget document, *Supplementary Estimates No. 2, 2012-13*, to this First Session of the 33rd Legislature.

Mr. Speaker, as identified in the *Third Appropriation Act*, the *Supplementary Estimates No. 2, 2012-13* provides for sums required of \$5,641,000. These sums required are offset by sums not required of \$28,357,000. Members of the Legislature will have noted that a special warrant was issued on March 7 in the amount of \$5,641,000. In accordance with the *Financial Administration Act*, or the FAA, the amounts authorized by special warrant are identified in the *Third Appropriation Act* and summarized by department in Schedule C. Mr. Speaker, the members opposite may appreciate that through this *Third Appropriation Act*, the Legislature will be debating and considering those additional expenditure items previously included in the special warrant.

While the Legislature conducts its business, the amount authorized by the special warrant ensures that the government officials have the requisite legal authority to make the expenditures delegated and entrusted to them.

Ministers who are requesting supplementary budget approval will be pleased to provide members of the Legislature with the complete details of their expenditure requirements in department-by-department, line-by-line review in general debate. Today I will limit my comments to a few specific items that will be of immediate interest to the Legislature.

I will take this opportunity to provide a very brief overview of what the supplementary estimates mean for the Yukon government's summary financials. As noted previously, this supplementary calls for sums required of \$5.641 million and these are offset by sums not required of \$28.357 million for the net expenditure reduction of approximately \$22.716 million. On the revenue side, we have an increase of \$1.491 million in general revenues, offset by a decrease in recoveries of \$9.992 million. Appropriate accounting requires that we match recoveries with expenditures. Where expenditures decrease, we see a corresponding decrease on the recovery side.

For this supplementary, we see a number of expenditure reductions related to recoverable expenditures such as those under the Building Canada fund. Our government remains committed to these projects. These changes essentially reflect adjusted cash-flow requirements with funding deferred to future years as necessary and consistent with revised estimated appropriation requirements. I will speak about these early votes shortly.

After making the necessary adjustments to appropriately reflect the Yukon government's accounting policies, which are in accordance with the public sector accounting standards as required by the *Yukon Act*, we are reflecting an anticipated annual surplus in 2012-13 of just over \$81 million and forecast year-end net financial resources, that is as of March 31, 2013, or a bank account of approximately \$127.7 million. We are fiscally healthy. As I have stated previously, our government is in a position to effectively respond to potential emerging priorities and pressures that accompany a growing and prosperous economy.

As our government has done in recent years, we have taken the opportunity to identify in *Supplementary Estimates No. 2* those capital projects for which there are significant anticipated lapses and to include those amounts in the 2013-14 main estimates. These adjustments can be considered early revotes. Mr. Speaker, reflecting that at this time serves to establish appropriate vote authority early in the 2013-14 fiscal year, ensuring that departments have the necessary spending authority as projects progress through the summer months.

Bill No. 8, *Third Appropriation Act, 2012-13*, identifies \$28,357,000 as sums not required, of which \$17,930,000 is included in the 2013-14 budget.

While individual ministers will be pleased to provide more detail on these adjustments during general debate, a number of projects immediately come to mind where funding is to lapse in the 2012-13 fiscal year, to be revoted in the 2013-14 fiscal year as part of the main estimates. Each of the arrest processing unit — previously the secure assessment centre project — Options for Independence project, Kaushee's Place, Betty's Haven, and Campbell Highway improvements and reconstruction remain significant projects for our government.

To reiterate, we are utilizing the 2012-13 *Supplementary Estimates No. 2* and the 2013-14 main estimates to allocate budgets to the appropriate year to ensure that work can continue uninterrupted in these investments.

In total, approximately \$17.938 million of the identified amounts as sums not required are included in the 2013-14

budget. As I noted, individual ministers can provide further information during general debate.

Mr. Speaker, obviously a significant reason for tabling supplementary estimates is to provide the Legislature the opportunity to consider those departments requiring changes to their spending authority. This second supplementary for 2012-13 provides that opportunity. As I mentioned earlier, the *Third Appropriation Act, 2012-13* provides for a total of \$5.641 million increased spending authority for various departments, the majority of which is allocated under their respective operation and maintenance votes for the departments of Education at \$1.625 million, Community Services at \$1.115 million, and Health and Social Services at \$2.417 million.

This seems like a good opportunity to revisit some observations I made in my Committee speech for the 2012-13 main estimates. I spoke about budgets being based on the best information available at the time that they are prepared. I spoke about the budget as an ongoing exercise in planning. The key word here is “plan”. As we all know, plans are subject to change. New priorities emerge, and in some cases emergencies need to be addressed, and market and economic conditions do change.

Our government is committed to fiscal discipline. In that light, we challenge and empower departments to manage within approved budgets. On an ongoing basis, departments continue to do an excellent job in assessing and making choices between competing priorities. Through these efforts, departments are able to deal head-on with the financial pressures of many emerging priorities and issues.

Having said that, as government moves through a fiscal year decisions continue to be made, many of which cannot be anticipated and/or included in the budget. So in that context I offer the following summary observations of major components for those departments requiring that increased spending authority be considered through the supplementary estimates.

For the Department of Education, of the total of \$1.625 million, \$1.212 million is recommended as a result of the successful negotiation of a new collective agreement with the Yukon Teachers Association, or YTA, and the Yukon government. This is an item that could not be included in the budget. Yukon government has long adopted the practice of allowing negotiations to run their course rather than appropriating a value that may unduly influence a collective bargaining process. I believe our various bargaining units will appreciate this principle. Government and its employees expect a level playing field as the basis for negotiations.

For the Department of Community Services, the total operation and maintenance requirement is \$1.115 million. Community Services is working diligently to address emerging cost pressures related to the provision of effective emergency medical services and vital enhancements that address water quality requirements consistent with regulation and national guidelines. Consistent with our government’s direction, Community Services has been working to manage these costs within approved budgets.

However, if I may, Community Services has reached a tipping point. Without the approval of additional funding, there is

no longer the capacity for Community Services to manage these pressures without compromising other programs and services delivered by the department. Our government made discreet decisions to provide additional funding to Community Services in response to the additional responsibilities it has related to EMS and water safety. Members opposite will see our government’s commitment in the supplementary estimates and members opposite will see our government’s commitment in the 2013-14 budget. I know Yukoners will appreciate that our government is making direct investments to promote health and safety for our citizens.

For the Department of Health and Social Services, the total operation and maintenance requirement is \$2.417 million. As with Community Services, the Department of Health and Social Services has made impressive efforts to manage the pressures they face from within the approved budget. This is no small task. The department faces a number of challenges that are outside its control. Examples include payments related to physician claims as well as payments under the pioneer utility grant and medical travel policy. Under each of these areas the department faces challenges in forecasting the volume or the uptake. There are total cost increases in each of these areas — and Mr. Speaker, the department was able to offset a significant portion of these increases without sacrificing overall service to Yukoners.

The minister will provide additional detail when we get to line-by-line debate. However, I take this opportunity to acknowledge the outstanding services our Health and Social Services officials provide and thank them of their efforts to deliver these programs on behalf of all Yukoners.

Mr. Speaker, in the interest of time, I will cut my comments short, but again note that individual ministers will be pleased to provide detail during debate for their respective portfolios.

However, allow me one final observation on spending. Our government tabled a plan at the beginning of the 2012-13 fiscal year that forecast an annual surplus of just over \$80 million. This supplementary estimate does not deviate far from this financial plan with the annual surplus of approximately \$81 million. I believe this speaks volumes to the efforts of our government; more specifically, it speaks to the efforts of our department officials to be fiscally prudent and disciplined in the delivery of government programs and services.

Speaking for my colleagues whose leadership I would also like to acknowledge, I must commend all departments and officials for their tremendous efforts to continue to provide quality service to Yukoners in a fiscally responsible manner.

Mr. Speaker, earlier in my comments I observed that the Yukon government is on solid fiscal ground. This is indeed the case. Our government projects an annual surplus for 2012-13 of just over \$81 million, and our net financial resource position is forecast to be approximately \$127.7 million at the year-end, March 2013. This is our savings account.

Net financial resources is the most important indicator of the government’s fiscal health, and our net financial resource position — our savings account — is enviable. While most provincial and territorial governments have net debt — mean-

ing they owe more than they are currently capable of paying — this is not the case in Yukon. We have the cash and other financial assets to pay off all our obligations. This is significant as it allows the government to be flexible in timing our investment decisions. Our very healthy net financial resource position has provided us, and will continue to provide our government, the opportunity to make significant capital and program investments for the benefit of all Yukoners.

Our strong net financial resource position speaks to the future as we move through our mandate. I look forward to leading Yukon through the various challenges we may face.

I am proud of our achievements as we, as Yukoners, continue to be well-positioned for the future. I have indicated throughout my comments that ministers who are requesting supplementary budget approval will be pleased to provide members of the Legislature with the complete details of their expenditure requirements in department-by-department, line-by-line review in general debate.

As Finance minister, I commend the supplementary estimates to the consideration of the Legislative Assembly. I would also like to just take a brief moment to thank and especially commend, as Minister of Finance and minister responsible for the Executive Council Office, the officials for the tremendous work they have done.

Ms. Hanson: I rise on behalf of the Official Opposition to provide brief remarks about this supplementary budget. I will be the sole speaker from the New Democratic Party Official Opposition in general debate on this bill. My colleagues will be joining debate when — or rather, should we get to Committee of the Whole on this bill, as it's the government that sets the schedule for debate, so we do not know when this will occur. We will be reserving most of our questions around government policy and direction to the debate of the 2013-14 main estimates.

In general, Mr. Speaker, this final supplementary budget is not a lot of money that we are talking about, but there are still decreases and increases to departmental budgets that need to be scrutinized, and government needs to explain what has been achieved and why. Ensuring that the growth and prosperity the Premier boasts about does not sit like clotted cream at the top of the jar, but is shared by all Yukon citizens, is a priority for us. I anticipate my caucus colleagues will be eager to raise those questions in Committee of the Whole.

I would like to raise, however, a few points the Premier may be able to provide some detail on when he closes general debate. For example, I would appreciate an update on Canada's participation in the Canada Health Infoway. The supplementary estimate reduces the 2012-13 spending by \$3.3 million. In an era when we are trying to increase communication and develop more with respect to the sharing of information, this is of concern and is a question we have.

There was much fanfare in this Assembly around the Victoria Gold Corporation's attendance initiative with the Department of Education. We see in the supplementary estimate that the money earmarked for this has not been spent. It is not a lot,

Mr. Speaker, but it has not been spent. We would like to hear an update about this initiative.

There are a number of capital projects — 23 or so — that appear to have restated amounts to be appropriated. Examples that come off the top: less money for the Ross River recreation centre; \$700,000 less for the Burwash wellhead protection; \$4.7 million less for residential land development. We will be looking forward to hearing whether or not these Community Services projects are back on track. We'll be looking forward to hearing why a number of the projects that were in the budget last year are restated again this year.

We look forward to Committee of the Whole debate on this supplementary and to the debate on the main estimates so that we as elected members of this Legislature can get more details about these matters and others.

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

As no other member wishes to be heard, Hon. Premier.

Hon. Mr. Pasloski: As I have already articulated, we are very proud to move forward with the second appropriation for 2012-13 with sums required of \$5.641 million and that these sums required are offset by sums not required of \$28.357 million. I believe that, in response to the member opposite, I look forward to the appropriate ministers, during department line-by-line debate, bringing forward the answers to the questions that the member has brought forward.

Motion for second reading of Bill No. 8 agreed to

Bill No. 10: First Appropriation Act, 2013-14 — Second Reading — adjourned debate

Clerk: Second reading, Bill No. 10, standing in the name of the Hon. Mr. Pasloski; adjourned debate, the Hon. Mr. Cathers.

Speaker: Minister of Energy, Mines and Resources, I believe you have 20 minutes and 20 seconds left.

Hon. Mr. Cathers: Thank you, Mr. Speaker. I don't actually anticipate using most of that time here. I made a number of the key points that I wish to raise regarding constituency priorities yesterday.

I would just emphasize that I'm very pleased with the budget that we as the government have put before this House, including the fact that we have been able to reduce previous debts that the Yukon government has by some \$27 million. We've continued to invest in areas including social housing. We've continued to invest in land development. We've continued to invest in areas pertaining to responsible management of our environment, including the development of the Yukon water strategy, a draft of which is currently out for public review, which of course is in fulfillment of a platform commitment we made to develop a Yukon water strategy to help protect groundwater resources, ensure Yukoners have access to safe drinking water, promote the sustainable use of water, and improve the generation and use of water information by water managers. This of course follows significant investments that have been made in improving access to clean drinking water

and investments in Yukon communities, including in municipalities and outside of municipalities.

I would also like to touch on the fact that we have continued investment in remediation occurring both through my department in the continued work on the Faro mine reclamation project, which of course is the largest environmental liability on the federal government's books and is a liability that rests with the Government of Canada, but the Yukon has the contract for — or the delegation, rather — of managing that and is responsible for overseeing the care and maintenance of that project.

There is also investment in other areas that I would like to point to, including remediation of the Klondike River highway camp, cleanup of the Marwell tar pit and initial work on the Dawson highway camp. Work is being done by more than one department, and I would like to draw attention to that continued work in ensuring that we are addressing the environmental liabilities left with us by previous governments, both federal and territorial.

I would also like to highlight the fact that we do, of course, now — as I have reminded the House previously — follow a very different practice in managing and permitting projects, including mines than occurred in the past by taking security for those projects and for updating the evaluation of how much would be needed to fully reclaim that project should there be a cessation of the mine's operation.

That is an important part of ensuring that future generations are not met with environmental liabilities to clean up as we were left with the environmental liabilities of the predecessors to ourselves to deal with.

I would like to reiterate, as I touched on briefly yesterday, the fact that we are very much focused on taking a prudent approach to managing the Yukon's economy. That includes starting with environmental protection that begins with effective regulations that set high standards and includes an effective assessment and permitting process and that we are focused on ensuring that we have a strong, diversified economy that meets the needs of Yukoners today while ensuring that future generations of Yukoners have both pristine wilderness and economic opportunities for —

Some Hon. Member: (Inaudible)

Quorum count

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

Ms. Stick: I was just going to point out, Mr. Speaker, that it doesn't appear that we have quorum at this time but I see that another member has entered.

Speaker: Pursuant to Standing Order 3(2): "If, at any time during a sitting of the Assembly, the Speaker's attention is drawn to the fact that there does not appear to be a quorum, the Speaker shall cause the bells to ring for four minutes and then do a count."

Bells

Speaker: I have shut off the bells and will do a count. There are 12 members present. A quorum is present. We'll continue with debate. Minister of Energy, Mines and Resources, please continue.

INTRODUCTION OF VISITORS

Hon. Mr. Cathers: I'd like to begin first of all by asking all members to join me in welcoming to the gallery the chair of the Mount Lorne Local Advisory Council, Peter Percival.

Applause

Hon. Mr. Cathers: It's a pleasure to see that we now do indeed have a quorum. I must say, it's the first time I've seen a lone member of a caucus call quorum when her colleagues were absent, but —

Speaker's statement

Speaker: I'd like to remind the member and all members that commenting on the presence or absence of any member or members is not permitted. Please retract your statement and carry on.

Hon. Mr. Cathers: I will retract the statement you wish me to retract, Mr. Speaker.

In continuing on with debate this afternoon, I'd like to also note that one thing we've done this year that hopefully will be of interest to at least one member of the public in the gallery is that we have increased investment in the Department of Energy, Mines and Resources. We have added an additional position to increase our capacity to respond to the needs of communities for local area planning and zoning because we do recognize that local area planning and zoning — both the development of new plans and the review of existing rules — is of great interest to Yukoners in those areas.

In resuming my speech on this subject, I would note that it's important to recognize the change that we've seen in Yukon, in terms of our ability to take care of our own needs.

The increase in Yukon's private sector economy in the past 10 years has been significant, while the bulk of that relates to the significant increase in mineral production. We have also seen across the board — in fact, in most sectors of the Yukon economy — significant growth. That includes the tourism sector and the agriculture sector — all have seen increased growth, as has the knowledge sector of our economy and our arts and culture area, to name a few.

The value of mineral production in 2012, of course, is estimated as totalling roughly \$450 million, up from \$402 million in 2011. This comprises almost the entire amount of the gross domestic product in the oil and gas sector, which, in 2011, mining, oil and gas were responsible for 23 percent of Yukon's gross domestic product, amounting to \$2.3 billion. Again, I think that needs to be pointed out, particularly in the context of some of the debate we have heard in this Assembly and at least one media story that focused on the royalties Yukon received from operating mines, rather than recognizing that, in fact, the royalties received are just one part — and, in fact, a small part

— of the total economic benefit and tax benefit that Yukon sees as a result of a successful mining sector.

As I mentioned before, we are focused on taking additional steps to ensure that we are responsibly protecting our environment, that we are diversifying our economy to the extent possible to ensure that we develop other areas of Yukon's economy in addition to continuing to have a strong mineral sector. But it does need to be pointed out and recognized that that total contribution from the mining sector has had tremendous spinoff benefits to other areas of the Yukon economy, including retail and service and supply, which may not always realize where the money is coming from. But the fact that there is a lot more money in the Yukon's private sector economy today than there was 10 years ago is in large part due to that increase.

Contrary to comments that have been made by some members in this House — in fact, despite increasing the size of federal government transfers, the percentage of the Yukon's budget that is made up of federal transfers has declined significantly in the past 10 years.

That is due to the success across the Yukon economy in various sectors of that significant increase in economic activity. I think that it's important as well to recognize the additional benefits that can come from activity. There are opportunities for partnerships. For example, funding is identified in this year's budget for the Yukon paleontology program's Klondike goldfields initiative — that investment of total funding of \$479,000 helps the Yukon government actually acquire ice age fossils for the benefit of our understanding of Yukon's history and through finding ways like that where there is opportunity for partnerships between the industry side and the cultural and historical preservation side. We can provide shared benefits to various sectors of the Yukon's fabric of life.

Another thing that I would like to mention is that we — as the Premier mentioned in the budget speech — met with Governor Parnell in January to discuss a feasibility study of connecting the Yukon grid and southeast Alaska to the electrical grid. That is something that fits in with our commitments toward looking at the long-term opportunities for growth of the Yukon's energy capacity, including ultimately connecting the grids both west and south and developing new hydro capacity.

As I mentioned in Question Period in response to questions from a member of the Liberal Party, we are currently in the process of consulting on gas processing regulations, which I brought to the House's attention last fall that we would be doing early this year. This was enabled by the change made to the Yukon *Oil and Gas Act* passed by this Assembly last fall. This is about strengthening our ability to manage the storage of liquefied natural gas, as well as to allow for an effective regulatory structure that ensures that if utilities and mining companies do choose to use liquefied natural gas as an alternative to diesel, which a number are looking at doing — and some, notably the Casino project, have already decided as part of their feasibility study that they plan to use liquefied natural gas — we are preparing a regulatory structure because in the past the Yukon has not had to deal with storage. It is a complex structure and it is important to provide the appropriate standards and the appropriate regulatory authorities for staff to ensure that if that

type of fuel is used, we have the full ability to responsibly manage it.

I think I will wrap up at this point. I don't have much else to add at this point in time that cannot be covered in my comments on the Department of Energy, Mines and Resources budget. I believe that it would be the Member for Klondike's turn at this point, so in the interest of expediting debate I will cede the floor.

Mr. Silver: Before I get into my reply, I would like to just take this opportunity to thank my constituency of the Klondike for the privilege of representing them here in the Assembly. I just want to apologize to the good people of Dawson City for spending so much time in Whitehorse, but I want to assure them that I am working hard for them here in the capital. The learning curve is levelling out a bit, and I look forward to an increased presence in the Klondike moving forward. With that being said, I would just like to thank my friends and colleagues for their continued support and understanding.

Mr. Speaker, I want to begin today by congratulating the government on its budget. The Yukon Party has no doubt spent considerable resources putting this together. They have no doubt done their best in preparing this image for the future. Unfortunately, this image does need some work. Work is needed to meet the public's rightful demand for better planning than we have seen in the past. Work is needed to give Yukoners a budget that shows their government is listening. Work is needed to give Yukoners a budget they deserve and a budget that helps them achieve a sound and secure future.

When the people of Dawson chose me to represent them, it was not so I could ignore their interests — they trusted me to bring their concerns and priorities to the table. They wanted a representative who would fight for them and would make sure that their government planned for the future. So on behalf of my constituents and all Yukoners, I would like to call attention to the shortcomings of this budget and offer concrete solutions on how the government can better address these needs.

After 10 years in power, this government seems to need guidance in learning from the mistakes of the past. Last fall I truly wanted to believe that the new leader of the Yukon Party would bring fresh ideas and much-needed accountability. Unfortunately this budget shows us that this is not necessarily the case. Instead, the same old Yukon Party is bringing us a spirited defence of the status quo, a commitment to sit back and relax while commodities boom and a generous federal government does the work.

For all Yukoners, the Liberal Party would continue to present an alternative vision — a vision where our government plans for our future, a vision where we harness our natural advantages and where we overcome our natural challenges.

Yukoners are calling for this vision — a vision where their input is truly valid, a vision where they are supported in achieving their goals in surviving the downtimes. In order to help achieve this vision, we need to help our government identify how they can do better, how they can listen better and how they can plan better, because the evidence is clear that they must. A

government that plans better will not leave our territory vulnerable to the whims of the federal government.

We need a budget that reduces our dependence on Ottawa. After 10 years in power, this government has doubled its dependence on the federal money. When the government came to power, approximately 80 percent of the expenses were paid by federal transfers. Now, Mr. Speaker, almost 87 percent of our expenses are paid with federal money.

On behalf of Yukoners, I am calling on this government to plan to achieve a more dependable and less dependent source of revenue. While the government likes to brag about good financial management, the fact remains that Yukoners get more of our budget as a percentage from Ottawa than we did 10 years ago.

We are as dependent as ever on federal transfers. We must be better supporting our mining industry and providing an environment of predictability. Representing Dawson City, I will be the first to recognize the importance of mining and the mining industry. It is a fundamental part not only of our economy, but also of our culture and of our shared history. To capitalize on record-high commodity prices, this government must implement forward-thinking plans to support the industry. The Yukon Party's interference in land planning processes and its hostile treatment of First Nation governments creates an unstable environment that the mining industry and its financiers will be unwilling to pin their hopes to. Instead of making our mining companies play guessing games with the regulatory industry, our government needs to champion these companies and assist them in navigating complex regulatory processes.

We don't need another Brewery Creek where the rules of engagement are not clear. Why was this company not supported by a project champion as other companies are? Only with this support will these companies get to the point where a mine actually opens.

At PDAC this year in Toronto, many discussed how junior companies spent too much money the last year and that Yukon has very little to show for it. A junior company such as Golden Predator opening in Dawson would have gone a long way to attract the attention of these investors.

Many are pointing their fingers to YESAB's designated office in Dawson, and I feel that this is unfortunate. I watched the proponent for years ask questions about the direction they should take in terms of licensing and socio-environmental review. They weren't telling us — they were asking us: Can we do this? Can we use an existing licence?

I also witnessed a lackluster response to the questions from this government and an unwillingness to pick up the phone and provide substantial direction at key moments in the last three years. A project champion supplied to the proponent from the get-go would have provided the gaps in information needed to explain specific requirements and regulations.

I would argue that if such information were provided to the Brewery Creek project when it was first reintroduced, the government could take credit for a new production mine in the Yukon this summer — a very timely announcement, which would have gone a long way to show North American and European markets that the Yukon is a secure place to invest in.

While we must leverage our natural resources, we must also endeavour to support our incredibly strong tourism industry. We need a budget that recognizes this industry as the Yukon's best chance at diversification.

Our tourism industry should thrive because of government involvement, not despite it. A Liberal government would not, as this government has done, flatline tourism spending. The marketing budget remains almost unchanged from when the government took office a decade ago. This lack of support has not been without consequence. Tourism numbers in 2012 are lower than they were in 2006. Recognizing the importance of this industry, a Liberal government would do more to promote and to protect the natural beauty and historic resources of our territory, which help bring in over \$200 million each year. We would also suggest that near silence is not the right answer when this government's friends in Ottawa chose to cut Parks Canada — to apply a duct-tape solution in response to public protest. There was no planning to deal with the downloading of the Government of Canada. There was just the Minister of Tourism saying he was happy to help the Government of Canada meet its goal of achieving a balanced budget by the time the next federal election rolls around.

So while this government likes to claim to be pro-business, this budget does little to recognize and to support one of the main pillars of the economy, which is tourism. For businesses and Yukoners to thrive, this government must address a pending energy cliff.

A Liberal government recognizes that a budget is an opportunity to lay out a vision on the big issues facing this territory. In that light, the budget should have offered certainty to Yukoners and the private sector by addressing our pending energy shortage. The Yukon Party admits in this budget that "Yukon's expanding economy will also require more Yukon government investment in energy" and that providing "affordable, clean energy is one of the territory's biggest challenges". Then why did this budget not address the issue? Instead it ignores the issues, as the government has done for 10 years now. What Yukoners and the private sector need from their government is a clear plan that harnesses our natural environment to provide clean, affordable energy. I am afraid that when this territory's energy consumption exceeds capacity this government will have no choice but to make Yukoners pay extra by burning diesel fuel. Because of a lack of planning, no other option is in place. The net metering policy is not done. The IPP policy is not done four years after the work began. The Energy Corporation, despite years of study, has continued to spin its wheels as the impending crunch gets closer.

Decisions must be made on future energy choices. The private sector will be unwilling to rely on a government that has no plan and residential customers will continue to see higher bills as they are already with a 13-percent increase coming their way.

Unfortunately, Mr. Speaker, there are other areas where the government fails to provide stability or plan properly for the private sector. For business to thrive, this government also needs to encourage neutral, predictable planning processes and treat First Nations with the respect that they deserve. A respon-

sible government must take First Nation consultations seriously instead of playing loose and fast with their concerns. A responsible government must be open about a planning process instead of inferring at the last minute. A responsible government must encourage efficient consultation instead of spending seven years and nearly \$2 million on a planning process, only to ignore its findings.

This type of governance makes it impossible for mining companies to count on the Yukon as a stable place to do business, and it makes it difficult for them to obtain their necessary financing. The same applies to the oil and gas industry, and we are seeing the result of that in the southeast Yukon where development has been at a standstill since the government took office a decade ago.

The government has no relationship with the Kaska and the results are predictable. The lawsuits keep piling up and no progress is made. Just this week, we see the resource royalty agreement that this government clung to and boasted about as being one of the few shining examples of First Nations relations get thrown underneath the bus.

Not only must we grow and diversify our economy to strengthen our tax base, we must wisely spend the tax dollars that we do receive. Elected officials have no right to waste taxpayers' dollars entrusted to them by their constituents. Every dollar wasted through poor planning is a dollar that is not spent improving the future of Yukoners. This budget does not go far enough to put an end to the poor planning and wasteful spending of the past. Yukoners deserve better.

Let's look at education for an example. Yukon parents and teachers deserve better. They are tired of the ups and downs this government's poor planning of the education system has brought them. The budget extends the disarray surrounding F.H. Collins. We now learn that the \$6 million on design and construction work is almost a total waste, as the government is now pursuing a totally new school design. This approach is unfortunately a recipe for more cost overruns and schedule delays.

The budget also announced three quarters of a million dollars for a new computer system in the Yukon's schools. This is a result of poor planning done when the current system was purchased. It was bought from B.C. The problems with it were well known when the government went ahead. They were told not to buy it by the Liberal caucus; they were also told not to buy it by the Yukon Teachers Association and they went ahead anyway. Here we are a few years down the road and the system is being scrapped and the taxpayers are on the hook for \$750,000 for a new system.

What was the total cost for implementing YSIS, a system that at the time of purchase was being scrapped by complete districts in B.C.? The costs aren't just budget amounts. This was supposed to be the answer to so many questions the Auditor General had on the questionable manner in which the department dealt with data. On educational spending, Mr. Speaker, Yukoners deserve better. On the wellness of our student population and the sanity of the poor administrative assistants who had to spend evenings and weekends, jerry-rigging a broken system — they deserve better as well.

Yukoners also deserve better planning on health care. Patients and families cannot be worried about the quality or cost of their health care when they are in the most vulnerable states. Yukoners need a budget that addresses the gaps in our health care system created by years of reactive fixes and band-aid solutions. Health care costs have nearly tripled since the Yukon Party came into power and we still struggle to meet the needs of Yukon families.

While I am glad to see funding provided to deal with doctor recruitment challenges, I wonder why it wasn't addressed in 2009, when it was identified as an issue at that time as well.

While I am glad to see the important role of nurses highlighted, I question why this government is pursuing an outdated model of health delivery by restricting the responsibility of those extremely competent individuals.

While I am glad to see some of the Hospital Corporation's debts paid off, I wonder why it wasn't all paid off, given the surplus the government has, and I wonder why the government forced the Hospital Corporation to take on a debt if they were only going to pay it off later.

It was only a few hours ago that Yukoners were assured by this government that the corporation was capable of taking on these projects. That's not the case. The proof is in the \$27-million bailout that is the centrepiece of this entire budget. It is a good symbol of this budget, because it highlights the poor planning and fiscal mismanagement that this government is synonymous with. The Auditor General was clear on the need for better planning. The Premier, like his predecessor, thumbed his nose at the auditor in his budget speech. He mocked the findings that questioned whether the two hospitals were needed. It is a different approach from the Minister of Health and Social Services, who simply owned up and said, "Yes, I accept these findings." That was refreshing, honest and forthright. The minister is to be complimented for his reaction, and I thank him for his candour.

Unfortunately, the Premier took a different approach and mocked the Auditor General.

Another example is the new MRI machine. The government has no one to operate it and nowhere to put it, yet they still have \$2 million allocated in this year's budget to buy one. On health care, I say Yukon families deserve better.

Yukoners also deserve more forethought on housing. They need a budget that helps hard-working families stop worrying about how to find a safe and affordable place to raise their children. They do not need a budget that throws more money at the \$26 million Whistle Bend boondoggle. This project, with its lawsuits, unpaid bills to contractors and overpriced lots, has done almost nothing to address housing issues, and now the government's grand plan is to make it someone else's problem by shifting the burden to the City of Whitehorse. On housing, I'm afraid Yukoners deserve better.

Another example of poor planning is the overbudgeted Dawson waste-water treatment facility. When this project was tendered, the government managed to disqualify a local company and instead chose unproven technology from an Outside company. The system has yet to work properly, costs more to operate than promised and not enough training has been pro-

vided to local operators. The city is not interested in taking over this facility in August with all of the problems occurring.

I've highlighted a few examples and there are many more, including new rules in place for oil-fired appliances, the social inclusion strategy — the list does go on. Poor planning is a hallmark of this government. With big projects like the rebuild on the new Whitehorse General Hospital coming down the pipe, I only hope that the government does a better job.

Yukoners deserve better planning. They need a well-thought-out budget that allows us to focus on families and on their work. They do not need a budget that will haunt them in the papers for months to come. Unfortunately, this budget will do exactly that. Yukoners do not deserve more stories of over-budgeted schools and gaps in their health care system. What they deserve are headlines about a diversified economy and long-term plans on issues that impact their everyday lives. In order to develop thoughtful plans and address these issues, this government needs to start listening. By listening, I don't mean holding drawn-out consultations that are overruled by back-room deals; I mean actually listening — listening to the First Nations; listening to our parents and teachers; listening to our patients and health care professionals and listening to our small business owners and our mining and tourism industries and, like it or not, listening to our NGOs and conservation groups. Only when the government truly listens to its citizens will it be able to give them what they want.

Sadly, this government is far more interested in giving citizens what they want. Citizen engagement is a luxury and we must treat it as such. When our citizens are courageous enough to speak, we must listen.

We need a government that listens better to the First Nations. We do not need a government that chooses to pursue confrontation after confrontation. The Yukon First Nations are leading the world in self-government and they should not be punished for it. We need partnerships with the Yukon First Nation governments and not lawsuits. We need actual discussion, not forums that never meet. With First Nations, we need better listening. The latest news this week about the Premier's take-it-or-leave-it offer on resource royalties is an example of what we are talking about. Last year, the Premier couldn't wait to tell Yukoners about how he reached an agreement with First Nations on the new sharing agreement. The problem was that the deal wasn't done. The big priority was taking credit for a deal, not actually doing the work to ensure that this deal was complete. The Yukon Forum would be an ideal place to improve the relationships between the Yukon Party and First Nations. I believe it has met once since the Premier took office, certainly nowhere near the four times a year that it is supposed to meet.

We need a government to listen better on the Peel process. We do not need a government that slaps in the face all those who were engaged enough to provide their views. This is not how a government builds trust; this is not how a government listens. Yet after spending \$2 million the first time and throwing away the report, the government wants Yukoners to believe that this time the government will listen better.

We need a government that listens more closely to the NGO community. We do not need a government that uses a budget speech to go on the attack against long-standing NGOs from our communities. We may not always agree with advocacy groups, but that is no reason to try and bully them into submission and ignore the valuable work that they do. The Minister of Energy, Mines and Resources likes to lecture the NDP about polarizing Yukoners and polarizing debates. The Premier's speech brings to mind the old saying that those who live in glass houses should not throw stones. The Premier's comments were very polarizing and did not bring people together, and they made a mockery of the Energy, Mines and Resources lectures about polarizing debate, and they served to drive a wedge between Yukoners.

One of the reasons the government went on the attack against NGOs and against the former Liberal and NDP governments was to deflect attention from the fact that the government isn't interested or maybe not even capable of defending its own record. It was very entertaining to watch the Minister of Justice during his response attack the Liberals from a decade ago.

I guess the Minister of Justice thinks his colleague is also incompetent and a poor economic manager. Every time this government criticizes his former Liberal colleagues, they are criticizing a member who is sitting with them in the Yukon Party.

Some Hon. Member: (Inaudible)

Mr. Silver: Mr. Speaker, this is my time on the floor.

There are things that we did like and there are, of course, some items in this budget we can support. I am pleased to see more money in the budget for the volunteer fire departments and that progress is being made on expanding the 911 services beyond Whitehorse.

I am also pleased to see the electrical rebate program continue. This rebate is essential as we watch our energy bills move upward. This is definitely an item I can support.

So what's missing, Mr. Speaker? Once again, no Dawson rec centre. There is also no independent power producer policy. It is not mentioned because there is no progress.

I was surprised to see there wasn't a mention in the Budget Address about the second Internet pipe, which was featured prominently in last year's speech. I was surprised that the Minister of Economic Development did not mention it in his budget reply either.

In closing, I'd like again to thank this government for all the work that they did in preparing this budget, but on behalf of all Yukoners, I'd like to challenge this government to do better. Yukoners deserve better planning. They work too hard for their money to be wasted. Yukoners deserve better listening and they are too important to have to fight to be heard.

Hon. Mr. Istchenko: Another billion-dollar budget. I'd first like to acknowledge my wife and son who live in Haines Junction, with whom I don't get to spend as much time as I'd like. I'm happy that they understand why I'm here; I'm here working hard for my constituents of the Kluane riding — the great riding of Kluane. That would be Beaver Creek, White

River, Pine Valley, Burwash Landing, Destruction Bay, the Arctic Institute, Silver City, Bear Creek, Nygren subdivision, Haines Junction, Pine Lake, Kathleen Lake, Dezadeash Lake, Six Mile, Klukshu, Dalton Post, Blanchard River, Stanley Flats, Forty-Eight Mile, Marshall Creek, Canyon Creek, Cracker Creek, Aishihik, Champagne, Mendenhall and the Takhini subdivision — some 640 plus kilometres of our riding.

Mr. Speaker and honourable members, it is my honour and privilege today to respond to the 2013-14 budget, another billion-dollar budget, the second budget of the 33rd Yukon Legislative Assembly.

The 10 previous budgets tabled by three successful Yukon Party governments have helped make the economy of the Yukon Territory one of the strongest in Canada and have placed the Yukon in an enviable fiscal position. Let's not forget that. The Government of Yukon budget for 2013-14 is \$1,230,000,000. The operation and maintenance budget totals \$977.35 million, of which \$88.696 million is recoverable. The capital budget is \$252.772 million, of which \$53.98 million is recoverable. This is the fifth Yukon government to exceed the billion-dollar threshold, more than doubling the budget when the Yukon Party took office in 2002.

The 2013-14 budget, like its immediate predecessor, has a healthy \$72 million plus surplus. Some of the funding pressures that the Government of Yukon is facing that are even more relevant today are, namely: the Building Canada fund expires in 2016 — we look forward to working with Canada with the next program to be implemented — and the territorial health system sustainability initiative expires in 2014, and to date there is no federal commitment to extend this initiative beyond that date.

Funding by the Government of the United States for the Shakwak agreement to upgrade and maintain the south Alaska Highway and the Haines Road was removed from the U.S. government's 2012 transportation bill, which means that the \$280 million to \$340 million estimated to complete the work is no longer in place.

Yukon's growing population will require the construction of more schools, as well as an expansion of the Whitehorse General Hospital, and Yukon's expanding economy will require more Yukon government investments in energy, transportation, and communication infrastructure. While Yukon's economic outlook is extremely positive, we must be cognizant that the percentage increase in our territorial formula financing agreement the Premier spoke about for subsequent years will be significantly lower than in recent years. Some of this funding pressure can be accommodated by increased revenues from the private sector to the Yukon's strong economy. However, we must continue to live within our means in meeting our platform commitments. Having a healthy surplus now will also assist our government in responding to these potential emerging priorities and pressures.

As Minister of Highways and Public Works, I am cognizant of the fact that both mining and tourism are largely dependent upon the Yukon's transportation infrastructure, our primary roads, secondary roads, rural roads, resource roads, bridges and airport.

While the funding for the Shakwak project was removed from the United States government's transportation bill, the Yukon government still has in reserve \$48 million of U.S. funding for Shakwak construction over the next two to three years. Canada and the Yukon government representatives have spent considerable time over the past two years informing legislators in Washington, D.C., of the Shakwak program benefits and lobbying for continued support for this work. Our close, great working relationship with our fellow Alaskans and state partners — we are seeing some positive stuff — discussions on a Weigh-in-Motion and seeing the advantages of having one station on main or exit routes.

Accordingly, we will be spending \$4 million this year on permafrost remediation to stabilize north Alaska Highway and improve the drainage capacity and replacement of deteriorating BST surfaces with hot-mix asphalt on the Haines Road. A further \$13.5 million will be spent on pavement overlay for the Haines Road. Our government is allocating \$4.35 million for the rehabilitation of existing pavement on sections of the Alaska Highway, totalling 10.7 kilometres with either full-pavement overlay or recycling pavement into base course and resurfacing with BST. All BST sections on the Yukon highways are evaluated and rated by transportation experts on an annual basis. Condition reports are prepared annually, allowing trends to be identified and monitored.

The condition reports form the basis of our discussions on O&M expenditures for BST replacement. BST application is also funded under the capital program in areas under new construction.

The Campbell Highway will be undergoing reconstruction from kilometre 10 to kilometre 190, with an allocation of \$8.5 million. Current activity is focused between Watson Lake and the Nahanni Range Road junction. This is a high-standard road that provides a safe route for the mix of industrial and private traffic currently using the highway. Another \$1.5 million will be utilized to carry out surface repairs on other sections of the Campbell Highway.

The Atlin Road will be seeing clearing, reconstruction, BST and revegetation from kilometre 22 to kilometre 36 at a cost of \$2.805 million.

Our government has been working collaboratively with the Vuntut Gwitchin First Nation government to fund the Yukon government contribution to the 2014 winter road project, and the 2013-14 budget allocates \$700,000 for this purpose. Last year, due to the lack of snow, the VGFN cancelled the project. Highways and Public Works and VGFN are continuing to work on a transfer payment agreement to allow YG funds on this project to flow in 2014.

Other highway improvements include \$2 million for the second year of a two-year project to reconstruct the surface of the Takhini Hot Springs Road.

Additional public consultation will be undertaken to ensure residents are completely informed of the 2013 construction plans to determine the preferred options in relation to proposed sports trails adjacent to the highway.

There is \$500,000 allotted to complete safety improvements such as guardrail replacement or repair, rock-fall protec-

tion and subgrade improvements on primary highways; \$500,000 for Alaska Highway corridor planning; \$500,000 for aggregate production and resurfacing of the Silver Trail; \$1.25 million for surfacing, spot repairs and erosion control on the Dempster Highway and \$500,000 for the resource access roads program.

Highways and Public Works, in cooperation with Economic Development and Energy, Mines and Resources, Executive Council and Environment, developed a resource access roads framework. The goal of the framework is to clearly outline roles and responsibilities of the government and industry in the development and management of resource roads. The framework recognizes the interest of First Nations and communities in discussions around provision of access to resources, in addition to meeting all legal and YESAB consultation obligations.

\$200,000 has been allotted for the rural roads upgrade program; \$1.35 million for improvements to the North Canol Road, and \$870,000 for surfacing and safety improvements for various secondary roads.

Our Transportation branch maintains a total of 4,819 kilometres of road, including eight kilometres of bridge/ferry crossings, 128 bridges, four airports and 25 aerodromes. We operate two full-time weigh scales and have two additional weigh scales that could be activated as required.

Last spring, our Transportation branch restored highway services within four days of two sections of the Alaska Highway washing out. Yukoners and tourists will remember the grocery store shelves being empty, gas stations running out of fuel, and realizing just how isolated we are without the use of the Alaska Highway. Our employees did a wonderful job. They did a great job and I would like to commend them on that.

Bridge work includes \$1.88 million for rehabilitation of the bridges at the Stewart River, Yukon River at Carmacks, the Haldane, and Wagon Creek. A further \$500,000 has been allocated for rehabilitation design on the Nisutlin Bay bridge.

Mr. Speaker, \$2.353 million will be invested in Yukon-wide aerodromes to address airside deficiencies. That question came up in the House and I listened to the response of what we are not doing. What are we doing, Mr. Speaker? Projects include airfield levelling, brushing, safety and security improvements, as well as lighting, navigation aid upgrades, installation of run-up pads, and the installation of EK35 runway enhancements at the Burwash, Dawson, and Mayo aerodromes.

The Yukon government is the largest aerodrome operator in Canada. We operate and maintain four airports and 25 aerodromes in the Yukon.

In 2012, approximately 294,000 passengers used the Whitehorse airport, while an estimated 80,000 visited the airport either meeting passengers or utilizing airport services. Erik Nielsen Whitehorse International Airport, along with the Dawson City, Old Crow and Watson Lake airports, are certified to meet federal regulations for scheduled air charter flights. Whitehorse has seen a 94-percent increase of passengers arriving and departing from the airport over the last 10 years.

Dawson City is the second busiest airport in the territory, both in the number of passengers using the airport and the

number of aircraft taking off from or landing at the airport. Between 2000 and 2011, the number of passengers using the Dawson airport increased by 121 percent; the number of aircraft movements is up by 83 percent. In Mayo, our third busiest aerodrome, the number of aircraft taking off and landing has increased by 198 percent since the year 2000. The number of planes taking off from or landing in Faro has increased by 192 percent since the year 2000.

Community aerodromes provide the communities with access to emergency health care through the support of air medevac operations. As well, they facilitate RCMP, Justice and aerial firefighting activities, and become a hub to support emergency relief efforts following a real or potential disaster.

Achieving a better quality of life is one of the four main pillars of our 2011 election platform "Moving Forward Together." One of our major commitments in the platform was to build a new secondary school in Whitehorse to replace F.H. Collins. I want to reassure students, parents and teachers that we fully intend to meet that commitment. The bids on the design concept for the new F.H. Collins school that went out for public tender, however, came in 21 percent — almost \$10 million — above the government's pre-tender estimate. Mr. Speaker, our government is committed to the principle of fiscal responsibility and it is for that reason that we will not proceed with a tender design concept. The Minister of Finance can find many priorities for \$10 million.

Instead we will be using a design concept that has already been constructed successfully and economically in other jurisdictions. Another advantage of proceeding with this new campus-style design is that it allows students to continue their studies in the current facility and use the existing gym without interruption while the construction of the new school begins in a timely manner.

Highways and Public Works is currently managing a number of capital projects that include the following: Betty's Haven — this is a new second-stage housing facility for women and children escaping family violence. Highways and Public Works is managing the project for the Yukon Women's Transition Home Society. The project is on schedule and within budget. Completion is expected in August 2013.

The EMS ambulance station — this is a new four-bay ambulance station and emergency response facility located near the Canada Games Centre. Foundation work started in fall 2011 with building construction getting underway in the spring of 2012. Completion is expected this fall.

Ross River community arena — a design/build contract for the new arena was signed with Ketza Pacific in November 2012. Work on the site is scheduled to commence soon. The project is expected to be fully completed this fall.

The arrest processing unit — this is an intake and holding facility that we built as an addition to the Whitehorse Correctional Centre. This design is underway and expected to be ready in May. The public tender will be issued in June and construction is expected to begin later this summer.

The new passenger boarding bridge — construction of the new passenger boarding bridge has been completed. However, some minor installation is needed to be completed before the

bridge is made available for use this spring. The bridge supply and installation contract was done through a Yukon assessment construction agreement between the Yukon government and Kwanlin Dun First Nation, another example of this Yukon government working with First Nations.

The 2012-13 budget includes a multi-year capital plan that enables Yukon's private sector contractors to plan ahead in relation to our commitment to stable, predictable investment in key sectors of our economy. We are committed to a multi-year plan of expenditures concerning information and technology of \$6.5 million; capital building maintenance of \$10.25 million; land development of \$30.79 million; and transportation infrastructure of \$57 million.

Some large projects in this budget cycle include such things as the Yukon College mobile trades unit, Watson Lake conservation office, Atlin campground; McDonald Lodge replacement; Sarah Steele replacement; Whitehorse seniors housing project; Mayo seniors housing project and the Swift River living complex. Beaver Creek is getting a major \$3.668-million facelift with the construction of a new Beaver Creek fire hall, EMS and search and rescue facility. The new facility will enable training, skills development and team building among the emergency responders so they are better able to help visitors, neighbours and families in the community along the Alaska Highway. The Ross River public works building will be officially opened upon completion later this spring. It will house the community's fire truck and other public works vehicles and the new water treatment plant.

The two projects combined represent \$7 million worth of investments under the Building Canada plan. Good governance means making improvements in project planning, leasing and maintenance practices. To this end, the Property Management division of Highways and Public Works has developed a set of portfolio management approaches to ensure real property assets that speak to matching demand for property with available supply; disposing of liabilities; increasing the value of assets, and strategically procuring and managing real estate to minimize the real estate costs of governments. This initiative has led to efficiency improvements in project planning, leasing and maintenance practices. Good governance means improving government corporate information systems — finance, human resources, records, lands information, data warehouse, and records management and storage.

Our government is investing \$7.318 million to improve the corporate information system and \$1.115 million for the records program improvement initiative, which is improving records management practices across the government to a standard that will support the management of digital records.

The Yukon government is also committed to improving access to government buildings for its employees, clients and general public. This commitment means taking steps to ensure that persons with physical disabilities can safely enter, exit and function within any government building where they work or access public services.

In the past five years, Highways and Public Works worked collaboratively with the Yukon Council on DisABILITY to perform accessibility assessments of a number of YTG's larger

facilities. More than a dozen assessments have been completed, and the findings are taken into account during capital and space planning.

The Yukon government has been steadily improving the accessibility of its buildings in five ways: ensuring all new construction and lease space is accessible from day one; moving services from inaccessible buildings to ones that are accessible; responding to specific access requirements of building tenants on an as-needed basis; identifying accessibility as a key factor when setting annual priorities for capital maintenance; and the last is addressing accessibility issues during capital upgrades undertaken for any other reason.

The Government of Yukon is modernizing how it procures goods and services to make government contract regulations, policies and procedures fair, consistent and accessible for businesses. We are being responsive to input we have heard from the contractors and suppliers, and we are simplifying procurement processes so it is easier to do business with the government. These improvements will directly benefit local suppliers who are interested in providing goods and services to the Yukon government.

We have a fiscal responsibility to ensure we are getting better value for money and, at the same time, we want to reduce the costs of doing business with us and generally provide better procurement services. By enhancing our relationship with businesses, we are better able to match government needs with available local resources and help businesses to be more competitive. We will continue to work proactively with local businesses to ensure that they are our suppliers of choice whenever possible.

In conclusion, the 2013-14 budget is the second budget of this mandate. We continue to make strategic and fiscally sound investments in Yukon projects and Yukon's people. I will be updating my constituents on the budget highlights for the Kluane riding, detailing what is in there. I will put that in my spring newsletter to my constituents. I'll be a little bit more in-depth.

I signed up to be an MLA for the Kluane riding to help the constituents of the Kluane riding whenever I possibly could and also because I am conservative and I believe in fiscal responsibility. I also believe in getting the job done. This is a good budget for Yukon and I support it fully. Thank you, Mr. Speaker.

Hon. Mr. Kent: Thank you very much, Mr. Speaker. It's a pleasure for me to rise in the House today to speak to this budget, and I'm very proud to do so.

Before I get started, like many others, I would like to thank my wife and my family — my mom, of course, and four brothers and two sisters — all Whitehorse residents, as well as their various partners and children. Maybe this gives me an opportunity to welcome the newest Kent to the family. Charles Clifford Kent was born recently to my nephew Michael and his partner Leah. We're very excited to add him to the Kent clan in the Yukon and welcome him to Whitehorse. I know it's a very exciting time for my nephew and his wife. That's the fourth

great-niece or great-nephew that Amanda and I have. So congratulations to my nephew and his partner.

I would also like to thank the residents of Riverdale North, who have been tremendously supportive and providing advice over the past year and a half during my time as their elected representative.

I should signal out — I know at some point during this sitting, we will probably do a more formal tribute to Mr. Michael Sumner, but congratulations to him for not only being a recipient of the Queen's Diamond Jubilee Award, but also a silver medalist at the world Special Olympics — a tremendous honour for that young man, a young resident of Riverdale North. This gives me an opportunity, as well, to invite all members and indeed all Yukoners who are listening to the Special Olympics banquet. I think it's being held on April 6. I know a number of my colleagues on this side of the House will be in attendance. Mr. Sumner is speaking, as well as Catriona Le May Doan, a former Winter Olympics medalist — so a very exciting event that we look forward to.

I'd also like to thank the Premier and my Cabinet and caucus colleagues for the confidence that they have shown me with the portfolios that I'm responsible for — very exciting portfolios and challenging. It's something that I very much enjoy doing and I enjoy working on behalf of Yukon residents with respect to Education, Yukon Housing Corporation, Yukon Liquor Corporation and Lotteries Yukon.

I'm going to speak about some of the aspects of this budget that are important to my riding — of course, aspects in education and then another focus on housing-related expenditures in this budget.

Of course, starting with the riding of Riverdale North, there are many things in the budget that affect the residents in Riverdale as part of the broader community of Whitehorse, but perhaps I'll touch on a couple of them. I know the F.H. Collins school replacement is very important and when I discuss education, I'll speak to F.H. Collins. Selkirk Street School will be in this budget and will be receiving a new roof this year.

The Whitehorse General Hospital will be the first hospital north of 60 in Canada to get an MRI machine and that is thanks in large part to all the hard-working individuals at the Yukon Hospital Foundation and of course all the donors and volunteers who lent to their effort. I know the Government of Yukon has committed to matching the funds and will be transferring \$2 million to the hospital to assist in the purchase of that MRI. It was announced before Christmas at the Northwestel Festival of Trees and it's a tremendously exciting opportunity for us to improve health care here in the Yukon Territory. Of course that MRI is located in the hospital in the riding of Riverdale North.

Two other health care facilities that are located in Riverdale North are the Thomson Centre and Macaulay Lodge, which continue to receive support. We have seen an expansion in the number of beds at the Thomson Centre over the past year and a half and my congratulations to the Minister of Health and Social Services for his leadership in that portfolio and helping out the seniors and those who require that care who live in my riding.

One of the other things that I know many individuals in Riverdale North are particularly pleased with is the active living strategy and the \$250,000 expenditure on the renewal of the active living strategy — something that's very important. It's a partnership between Community Services, Education and Health and Social Services and focuses on those after-school hours where children aren't as active as they normally would be. Again, I know that partnering with the different departments to deliver on that is something very important as well.

It has been mentioned on a number of occasions, but something that I know is very important to many of my constituents is the new campground on Atlin Lake that is being proposed in this budget. Again, a complementary piece to that is the motion that was introduced by the Member for Pelly-Nisutlin earlier in this sitting with respect to the reciprocal fishing licence agreement for Atlin Lake.

I know that too will be welcomed by many of the outdoor enthusiasts who live in the riding in Riverdale North.

I'm going to now turn my attention to the Education budget, which between O&M and capital in this budget is \$181.34 million. There are a number of projects that I would like to highlight. Of course, I can't highlight everything that we are doing, but I look forward to getting into more detail on specifics when we get into departmental debate later on in this sitting.

Of course, the F.H. Collins school replacement is something that I know is important, not only to me as Minister of Education but to many individuals who live in my riding and throughout the community of Whitehorse and the entire Yukon Territory. It's a school that many students from across the territory attend. I can say that when the bids came in and were 21 percent over what we had two independent estimators tell us that the project would cost — that \$10 million — I don't think there was anyone more disappointed than I.

I certainly wanted to deliver the school and the concept that the building advisory committee had come up with, but again I do support my colleagues on the fiscal responsibility side of things and not proceeding with that tendered design concept and assure all those individuals that we remain committed to replacing the aging school and we're moving forward with the new design concept for the replacement of that school. It is a design concept that has already been constructed successfully and economically in other jurisdictions and will incorporate elements from the previous consultation process. I know the building advisory committee did put a lot of work and time and effort into it and I did have the opportunity to reach out to some of my constituents for whom the school was very important. What they were excited about was the programming and those types of models that would be delivered in the new F.H. Collins. Again, we're working very closely with the school council and the school community right now to ensure that those can be transferred over to the new design once it is ready.

The one jurisdiction that we're looking at right now that has these designs is Alberta. I know Highways and Public Works was researching whether or not there were other jurisdictions.

As of delivering this speech, I'm not sure if they found any, but, again, we do have something successful we can look at in Alberta, as far as building a school. Again, Mr. Speaker, Alberta has some of the highest achievement results in the country and student outcomes in the country. So, when it comes to adopting one of their buildings and looking to delivering the type of education that we want to deliver here in the Yukon, I am confident that if that is the only jurisdiction where we can find a design, then it will be a good design and able to deliver quality education to Yukon students.

I would like to clear up some of the aspects that have been talked about with the campus-style design. We certainly don't envision that when the bell rings, the students will grab their parka and head to the next building. All of the core elements of a school will be located under one roof, of course, including the gym, cafeteria, library and classrooms. So that's what we're anticipating with this new design, and it's building on some of the complementary buildings that already exist there, such as the Teen Parent Centre and the Gadzoosdaa residence that we consider part of the broader F.H. Collins campus.

One of the things I have said in talking to the media is that the new design will not interfere with the existing building. There won't be any interruptions in the building, such as with the tearing down of the gym that was contemplated with the previous design. The students will have access to the gym and all the facilities in the school until they move into the new school, which we are still hoping will be in the fall of 2015. That's our goal, and I know officials in Highways and Public Works and Education, parents with the school council, and staff and administration at F.H. Collins are also diligent and committed to meeting that timeline. That is really where we want to go, and that's why we have left the money in the budget for this year with respect to the F.H. Collins school replacement.

So far, Mr. Speaker, actual expenditures are \$5.313 million on the school. There were some design elements, and there were some site infrastructure elements as part of that \$5.313 million. Unfortunately, it's unlikely we'll be able to salvage any of the main school design, but there will be opportunities to salvage, at a future time, some of the site improvements that have been put in place, such as the water and sewer and Internet and other aspects in which we have already invested. As the project proceeds, and as we determine a design, we will certainly be in a better place to determine which parts of that site infrastructure can be saved beyond the commencement of the project.

I'm going to talk briefly about Yukon College and our government's commitment to trades training. Of course, the centre for northern innovation in mining has been something that was started by my predecessor, the previous Minister of Education, and I'm very pleased to complete that as the Minister of Education and move forward. Of course, there was an announcement in last week's federal budget that there will be some support for the centre for northern innovation in mining. One of the commitments we have made in this budget is a \$1.1-million commitment to a mobile skilled trades trailer that will be able to travel throughout the Yukon and deliver dual-credit

training, as well as training to students at Yukon College in trades, such as welding and pipefitting and electrical and millwrighting.

So our \$1.1 million combined with a commitment from CanNor, the \$1.8-million total price tag for this project — and we anticipate the trades trailer arriving in time for this upcoming school year in September — again, is another exciting aspect of what we're doing to support Yukon College on top of the licensed practical nurse program and our support for the research centre and other aspects that continue at the college as we work toward one of our major campaign commitments for a university model to be developed for Yukon College. I think that work continues and I'd like to thank the college and the board of directors up there for their engagement on that important campaign commitment that we made.

During the election campaign in 2011, one of the items that I identified at that time that was important to me was literacy. Just to give the members of the House a quick update on a couple of initiatives that are underway — the first is the development of a literacy strategy where the government is committed to supporting literacy as a priority, because, as everyone knows, literacy is a fundamental building block for learning. This was also a platform commitment of ours, and again, as I mentioned, a personal commitment of mine during the campaign. The new literacy strategy will set strategic direction for early childhood, kindergarten to grade 12, and adults addressing the lifelong learning continuum.

In December 2012, the Department of Education and the Department of Health and Social Services hosted the New Horizons Education Summit, which was a focus on literacy. The summit led to the creation of the Yukon literacy strategy and action plan working group, which includes participation by a range of literacy stakeholders, including Yukon government departments, NGOs, First Nations, Yukon College, and the business community. This working group is responsible for the development of a new strategy and action plan for Yukon, which we anticipate being delivered by January 2014. What we want this strategy to reflect is the many changes in the field of literacy since the creation of the 2001 Yukon literacy strategy for adults.

Another aspect of this budget with respect to literacy is the Department of Education's commitment to the Family Literacy Centre at the Canada Games Centre. It was opened in January 2010 with funding under the northern strategy project and the centre received approximately \$265,000 for two years, which expired in October 2011.

Department of Education has provided the bridge funding to March 31, 2012, and then two additional years of funding in the amount of \$200,000 to ensure that the Family Literacy Centre can continue its great work. They provide parenting and pre-literacy skills training. It houses the Dolly Parton Imagination Library and holds workshops to support parents and children to develop early language skills. The program also offers a drop-in centre for reading and a showcase of resources on aboriginal family literacy.

One of the challenges that we have in Education is the divide that exists between students who live in our communities

and the divide that exists between First Nation students and non-First Nation students in the territory. When it comes to outcomes and graduation rates and even figures on attendance, there is a clear rural and urban divide on that as well.

Part of the rural action plan that is designed to improve those learning outcomes for rural students is to include enhanced distance learning opportunities, sharing of resources, specialization of teachers, supports for arts, trades or other specialties, and program opportunities for children to work together in larger groups.

Considerable work has already begun with the addition of an applied skills trades consultant and a distributed learning consultant, and individual partnerships with several Yukon First Nations and activity through the new human resource plan that the department has. Technology solutions have started with all rural schools having video-conferencing capability, and accreditation of cultural camps and other work is being done on experiential learning and locally developed curriculum.

Dawson City staff, for instance, is looking into a dual credit welding course and working with Tr'ondëk Hwëch'in to create assessment and credits for First Nation cultural units. We have actually implemented an individual learning centre model to support those at-risk learners. We have a rural coordinator for alternative learning who has been hired to support the work in other communities, and we're planning a coach model to support literacy and are proposing an early learning centre for Pelly Crossing and Watson Lake — very similar to the one that exists right now at Selkirk school here in Whitehorse. We'll take those activities to the communities of Watson Lake and Pelly Crossing, where I think the learning together model will be very beneficial to the students who attend those schools.

As I mentioned, the ILC model has been very successful here in Whitehorse. It is seeing considerable results in Old Crow and, of course, there's activity in Dawson City as well. Yukon Education, the Tr'ondëk Hwëch'in staff and Robert Service School staff are working together to provide for the needs of students experiencing learning challenges. The schools moved toward an in-school ILC for a small and very diverse group of students needing equally diverse options and supports. Again, we've seen some success with this in Old Crow, we've seen tremendous success with it in Whitehorse, and we look forward to building upon that success in Dawson City. I know there was some activity this year and we look forward to continuing that activity in the next school year.

I did mention, of course, the dual credit welding trade course and really expanding on dual credit is something that we're very excited about, especially when it comes to delivering trades training throughout the territory.

I know I have heard the president of Yukon College talk about different models where students can achieve their journeyman ticket at a much younger age than they normally would — perhaps as early as 21 or 22 years old. Again, I think those are jobs and opportunities that we have to encourage as we move forward with education and delivery of education here in the territory.

When it comes to First Nation education, I just want to touch on a couple of things that are proving to be very success-

ful. I know we've talked since the last sitting of the Legislature about the MOU that was signed between Canada and many of the First Nations and the Yukon government. I know the Yukon First Nation Education Summit was held last week. One of the tasks coming out of that is to develop an action plan for First Nation education and addressing some of the needs of our First Nation learners. I think there is an opportunity here in the Yukon to deliver on something I heard the National Chief mention, which is to close the education and labour gap that exists between First Nation and non-First Nation Canadians within a 20-year span, and I think we can be even more aggressive than that with the resources we have here in the territory and the will we have — not only at the leadership.

On two different occasions I have gone to the leadership table to talk to First Nation leaders about education. I know the will is there at that table, and I know the will is there at the officials table. So, I am very excited about the opportunities to realize what Chief Atleo's vision is and realize that here in the Yukon, and perhaps in even a shorter time frame than what he had envisioned. At the leadership table and at a number of other speaking opportunities where I've had to address First Nation education, one thing I've mentioned is that, you know, although perhaps I won't realize that goal as the Minister of Education, I think it's incumbent upon me and other leaders to set the foundation so that we can realize that goal in the future.

I think there are a number of initiatives we can look at, such as the Old Crow experiential learning aspects and the residential schools curriculum that we will have piloted this year at the grade 10 level. We are working with Tr'ondëk Hwëch'in to develop a teacher's guide for the book, *Finding Our Way Home*. That will be piloted at the grade 10 level in fall 2013 and teacher professional development will be offered to support the new resource. I think there are some great things that we can follow from our neighbours across the North as far as delivering on that residential school curriculum and helping individuals to turn the page and understand what happened during that time in our Canadian history. Helping all Yukon students understand that, I think, is important when we move forward to closing that education gap.

There are a number of initiatives that are underway and partnerships with First Nations as I mentioned — the Tr'ondëk Hwëch'in partnerships, Southern Tutchone bicultural camp, and the Vuntut Gwitchin First Nation partnerships. I had the opportunity to travel with the Member for Pelly-Nisutlin and address the general council meeting at the TTC and speak to many First Nations, not only those who travel here to Whitehorse, but to First Nations around the territory about how we can improve outcomes for their students. I very much look forward to moving on some important initiatives and ensuring that all those young First Nation students who are in our school system now are given every opportunity to succeed and that grade 12 is the start and not the end goal for all of our students when it comes to education and learning.

There are a couple of other things I'd like to just quickly touch on with respect to education. I look forward to getting into a more detailed discussion once the department is called. I know the Leader of the Official Opposition, during the supple-

mentary budget second reading earlier today, spoke about attendance. This just gives me an opportunity to talk about the Victoria Gold project and give a status update to members of the House on where we're at. Of course, everyone knows that regular attendance is important for the development of academic and social/emotional skills, and attendance continues to be a challenge for Yukon students.

Yukon Education is initiating a plan to improve attendance in Yukon schools. The target will be to reduce the number of students missing more than 20 days of school per year.

When it comes to the average days absent from Yukon schools in 2011-12, our best performing school's average number of days missed in the school year is 12 and one of the worst performing school's average is 53 — 53 days on average absent. It's a terrible amount, and I know it's something that we need to focus on. As I've said in the past in this House, it's going to take not only the Department of Education working to engage the students with programming and aspects while they're at school, it will take the parents to ensure that the students get up and go to school in the morning, and work by the students themselves in identifying aspects of the school that they're interested in. It's a concerted effort that we all take very seriously.

As far as the Victoria Gold student engagement society, it has been established to provide a source of funding for school-based projects aimed at improving student attendance. Schools, school councils, First Nations and communities can submit applications by April 5, 2013 for monies to support various attendance projects. What we're looking forward to is announcing some of the successful projects during Education Week this year.

That gives me an opportunity, of course, to provide that update to members of the House.

I will provide the attendance figures as well to the Education critics on the other side of the House, and it gives you an opportunity to see where we have some challenges, as half of Yukon school students miss an average of more than 20 days. In every Yukon school we have students who have missed more than 20 days. Absences at the secondary level for rural and First Nation students are particularly high, with greater than 47 days of school missed on average. As I've said in the past, I'm not here to single out any one school, but I will provide information to the members opposite so they can have a sense. I know both are former educators and they will be interested to see what the numbers are like across the territory and where we are seeing some challenges, in which communities and with which schools. I will provide that sometime in the next couple of days to the members opposite.

One other quick thing — and I know it was something the Member for Klondike raised in previous sittings — is the Yukon excellence awards. This year the Alberta-based Yukon achievement tests — or the YATs — for grades 3, 6 and 9 were discontinued and replaced with B.C.-based assessments for grades 4 and 7. Of course that makes more sense for us here in the Yukon as we do follow the B.C. curriculum.

The Yukon excellence awards in the past were based on the grade 9 YATs and the B.C. provincial exams, but then we

had the mandatory exams decreased over the last while too, so what we're looking for is a model with respect to the Yukon excellence awards. Right now the criteria is being reviewed with the intent of recognizing student success between grades 10 and 12 in traditional areas represented by the existing five B.C. provincial exams. In addition, we wish to include recognition for achievement in multidisciplinary areas such as technology, fine arts and applied skills, as well as First Nation studies.

We'll be able, hopefully, to get that rolled out for this year. There are still some aspects that need to be tightened up, but again, it's a more expanded and accessible model that doesn't just reward those students who go down the academic stream. I think it's another commitment of our government and me as Minister of Education, to recognize other learning aspects, such as the trades training and arts and other things, so I'll look forward to rolling that out as well.

Before I leave the Department of Education, I would like to thank Deputy Minister Valerie Royle for her leadership of the department. She came on last October and has been tremendous in her role. All of the officials who work at the department and all those involved in Yukon education — our teachers and others — we've been able to find common ground, I think, and move forward with the best opportunities to educate our students. So again a big thank you to Valerie Royle and all those involved with Yukon education for their continued hard work.

I'm now just going to switch gears to the Yukon Housing Corporation and its \$39-million budget. There are a few projects I'd like to highlight — again perhaps starting with the announcement today of the housing action plan for Yukon. As I mentioned earlier today, we were elected with the understanding that we would take immediate action on pressing needs in housing. Those pressing needs for us were identified as seniors housing, adults living with fetal alcohol syndrome disorder and women fleeing abuse.

We set those priorities and took action. Again, when you look at the entire housing continuum — also, the availability of lots was something many of us heard on the doorsteps in 2011. So that's how we spent the first year and a half of our mandate — taking action. Options for Independence and Betty's Haven — both projects are under construction and perhaps nearing completion. Seniors housing projects — we anticipate the tender going out for the Alexander Street residence replacement here in the next number of weeks. Planning has already begun on the Mayo seniors housing project — the six-unit project being built up there. I'd like to take this opportunity to thank all the members of the community in Mayo who came out when the Premier and the Minister of Health and Social Services and I were there. I believe we had well over 50 individuals, including the mayor and the chief and several town and First Nation councillors come, as well as those who are most affected and that is, of course, the seniors. I'd like to thank them for coming out, and we very much look forward to working with them on the development of this project.

So, again, that brings us to today and the Northern Housing Conference. Yesterday I mentioned that one of the quotes from the chair of the planning committee was that the purpose

of and the real success of a conference is what happens afterward. It was a pleasure for me to go there this morning and announce that work will begin on a housing action plan for Yukoners that addresses housing needs across the continuum, whether it's transitional or emergency shelters or the social housing aspects or, of course, the rental market or the home ownership aspects.

So again, Madam Deputy Speaker, you have given me the five-minute warning.

I'd like to talk about the five-year strategic plan for the Housing Corporation that will start on April 1 and thank and commend Claire Derome and the Housing Corporation Board of Directors and Pam Hine — Pam, of course, is the president of the Yukon Housing Corporation — and all the officials who have worked very diligently on developing that plan. They will work very diligently on developing the housing action plan and their work on the down payment assistance program that has received not only a lot of local interest, but national interest as well. I think it's tremendous and will help those individuals anticipating entering the home ownership market accelerate that by lending them a percentage of the down payment.

Before I wrap up, in listening to the Member for Klondike's speech, one thing I have to take exception with — I certainly tried to stay positive in my reply to the budget, but I have to say that I'm somewhat disappointed with his reference to me and my performance with respect to the budget. I know that perhaps sometimes we get in the heat of debate or some things look better on paper than they sound when you're saying them. I will take that with a grain of salt, but I'm pretty disappointed that he would point out aspects of my performance as a minister and personalize debate. It's pretty disappointing for me, and I know I've enjoyed working with the Member for Klondike on a number of initiatives and I know he's better than that.

Ms. McLeod: I am very pleased to rise today to have this opportunity to speak about the Yukon government budget for 2013-14 that was introduced last Thursday.

First of all, I'd like to say that it has been an honour to represent the people in southeast Yukon here in the Legislature, and I truly appreciate the trust and support of the people.

There are many great things about this budget, as we have been hearing from various ministers. The 3.5-percent increase in the municipal grant for the Town of Watson Lake will be welcome. This increase is guaranteed under the revised *Municipal Act* that passed this House last session. I'm also pleased to see about \$3.8 million being infused into solid-waste management and recycling and composting programs throughout the Yukon. Solid waste and its management is a big problem for all Yukoners and visitors. The Town of Watson Lake and the Yukon government are working together to find solutions for us in the town and the surrounding area, which I know will come as good news to the folks in Watson Lake.

It's good to see the construction of a new office and storage for conservation, parks and fish and wildlife staff in Watson Lake. This was promised and is being delivered. The exist-

ing building was constructed in the early 1960s as part of a carpenter training program.

In 1999, an addition was added to create cold storage and a lab area. The offices are now overcrowded and don't meet the current building standards. This new construction will improve the working conditions for our employees, improve service to the public and improve cost-effectiveness and efficiency. The projected cost is \$1.8 million to completion, but as we are aware, final costs may come in a little more or a little less.

The Robert Campbell Highway is slated to receive \$10 million in upgrades this year. This road is an important corridor for southeast Yukon and I appreciate that this government continues to see it as such. All of us who travel the southern portion of the Alaska Highway will be very happy to see the repairs necessary as a result of the extreme flooding last year. I might remind you of the fabulous job of reopening the highway by so many employees in the Department of Highways and Public Works.

One of the issues of importance to residents in my riding of Watson Lake is the installation of street lighting on the Robert Campbell Highway in Watson Lake and the Alaska Highway at Upper Liard. It turns out that this is an issue for many communities in the Yukon. The Department of Highways and Public Works is undertaking a study of the needs, and I'm hopeful that we will see the necessary funds allocated to this by the next budget at the latest.

My fellow Watson Lake residents and I are pleased to see that this budget contains \$1.823 million for the completion of water and sewer pipe replacement and the wet well in Watson Lake. I don't need to remind the Minister of Community Services that this is only a part of the necessary upgrades to our water delivery system, but this big portion is sincerely appreciated.

I want to thank the Minister of Health and Social Services for his support by not only designating Watson Lake, but the entire Yukon, as an area of special need. I'm pleased to see \$2 million or \$8.5 million — depending on how you want to look at the numbers — in this budget directed at finding physicians for the Yukon.

I would like to take this opportunity to encourage the Yukon Medical Council to support the steps being taken by this government in attracting international medical graduates. I'm hopeful that the new members of the council will have a favourable approach to getting new doctors into the territory. Having IMGs in Watson Lake has worked very well for us for many years and we want to see it continue. It is imperative that we have family doctors.

On the point of the hospital in Watson Lake, I sincerely thank the previous Yukon Party government for undertaking this project. Quite frankly, I think the people of southeast Yukon are and have been worth every penny and we look forward to having more of our needs met at home.

This budget speaks very well to the fact that the Yukon Party government has improved the lives of many Yukoners throughout their 10 years of forming the government. Southeast Yukon wants to see that continue and, indeed, participate in the economic prosperity. I wish again to thank the Premier for tak-

ing the time to address the residents of Watson Lake at the request of the Watson Lake Chamber of Commerce with regard to our potential for economic activity. We all recognize the challenges and all levels of government must work together to see it move forward.

There are many items in this budget that will benefit Yukoners, from housing and land development to health and wellness. I commend all of my colleagues and their respective departments for their thoughtful work.

Mr. Hassard: It's a pleasure to rise today to speak to yet again another record budget put forward by the Premier of the Yukon, but first I would like to thank my family and the constituents of Pelly-Nisutlin for their continued support over the past year and a half.

Once again this budget looks favourable for the riding of Pelly-Nisutlin. I am very happy to see almost \$3 million going into water and sewer pipe replacement and pumphouse upgrades in the Town of Faro. Under the devolution transfer agreement, the environmental liability for the abandoned Faro mine is owned by the Government of Canada, which agreed to fund the Faro mine remediation project and which is coordinated by the Yukon government. To date our government has relied on annual funding secured through an annual workplan and budget. As the Faro mine remediation project gets ready to implement the remediation plan, a greater degree of certainty regarding the multi-year scope, schedule and budget of the project is needed to enable the project to succeed.

In 2013-14, Canada and the Yukon government are expected to finalize the five-year plan and secure the necessary funding to allow the project to proceed through the YESAA and permitting processes. The Yukon government leads efforts to address environmental issues at the Faro mine. This includes managing ongoing site operations for care and maintenance and developing and implementing a long-term remediation plan. The 2013-14 budget allocates \$20.347 million to the Assessment and Mines branch to develop and implement cost-effective approaches to protect the environment and human health and safety at the former Faro mine while maximizing training, employment and business opportunities within the Yukon.

Historically the major markets for Yukon's resources — primarily lead-zinc from the Faro mine — was the Asia-Pacific region, first to Japan and then to South Korea. Although the Faro mine is now closed, the Asia-Pacific theatre is still the major market focus for Yukon's resources.

The community of Ross River will be seeing \$1.35 million for improvements to the North Canol Highway, and I'd like to take this time to thank — not criticize — the Minister of Community Services as she and her department have provided an additional \$710,000 for arsenic treatment and system upgrades and, as well, have come up with \$248,000 to complete the public works building.

This building will officially be opened upon completion this spring and will house the community's fire and water trucks as well as the new water treatment plant. These two pro-

jects combined represent roughly \$7 million in investment under the Building Canada plan.

As well, our government is utilizing its share of gas tax funding, totalling \$1.865 million to upgrade solid-waste management systems and related recycling and composting in unincorporated Yukon communities. Projects include solid-waste management plans, construction of cells for household and construction waste and upgrades to the Ross River solid-waste facility.

This government is fulfilling its commitment to construct a new Ross River recreation centre. I was updated this morning that the contractor was in the process of moving into Ross River as we speak. The 2013-14 budget is appropriating \$6 million for this new \$7 million energy-efficient and accessible recreation centre. I feel that this centre will be an important gathering place for youth and community members alike and will promote active and healthy living in the community of Ross River. This new centre will include a hockey arena, as well as multi-purpose areas suitable for sport and recreation programming.

I'd also like to recognize that it's the 20th anniversary of the signing of the *Umbrella Final Agreement* and the first four self-government and final agreements for the Teslin Tlingit Council, the Champagne and Aishihik First Nations, the Na Cho Nyäk Dun and the Vuntut Gwitchin First Nation on May 29, 1993. TTC is now developing a comprehensive tourism strategy for the Teslin region.

I'm happy to see that this budget is working to help the community of Teslin and many areas. \$500,000 is being allotted for the rehabilitation design for the Nisutlin Bay bridge, which is a very important bridge to the Yukon — most everything comes across it. There is about \$400,000 for road and drainage upgrades in Teslin, as well as \$495,000 for the Teslin Tlingit Council road upgrades of their own. On top of that, we see an additional \$336,000 for arsenic treatment and \$1 million for waste-water system upgrades — good job.

The Yukon has seen nearly \$1.3 billion in exploration investment over the last 10 years, and we can help grow that number by investing in roads. I heard the Premier say earlier that we could do a lot with an extra \$10 million from the F.H. Collins school. Well, if he has that \$10 million, he can pop by my office and I could give him a list of roads on which I could do a lot of work. However, I am happy to see the \$500,000 for the Nisutlin Bay bridge, as well as \$1.88 million for rehabilitation of bridges at Stewart River, the Yukon River in Carmacks, and Haldane Creek and Wagon Creek; \$500,000 to complete safety improvements, such as guardrail replacement or repair, rock-fall protection and subgrade improvements on primary highways; another \$500,000 for the regional resource access program; \$200,000 for rural road upgrade program; \$1.35 million for the North Canol, as I mentioned; and \$870,000 for surfacing and safety improvements for various secondary roads.

Of course, this is just part of what is in the budget for highways. As well, there is nearly \$10 million for the Robert Campbell Highway. As well, we have \$2.353 million to be invested in Yukon-wide aerodromes to address airside deficiencies.

This government believes it is important to create new wealth as opposed to redistributing existing wealth. Spending money on roads is an investment that pays dividends over many, many years.

As you are well aware, I'm a strong believer in the importance of the tourism business here in the Yukon. On October 25, 2012, I gave notice of a motion on the Parks Canada situation. We then debated that same motion on October 31, right here in this Legislature. I spoke specifically to the Dredge No. 4 and the *SS Klondike*. I am happy to see that, through the work of the Minister of Tourism and Culture, we will again see guided tours continue in both of these iconic tourist destinations here in the Yukon.

I will briefly touch on an item that I made a motion about earlier today — the Yellowstone to Yukon campaign, or Y2Y. For many years the residents of Teslin have been adamantly opposed to the creation of a park in the Wolf Lake area, and they can be assured that I will continue to carry that torch.

Now, Mr. Speaker, a topic that is a little less controversial, shall we say, is the community development fund. As the chair of the community development fund, I'm happy to see that this budget remains unchanged from the 2012-13 year at just under \$3 million for projects.

The community development fund consists of three tiers: tier 1 funding for less than \$20,000, tier 2 funding for between \$20,000 and \$75,000, and tier 3 funding is for greater than \$75,000. To be eligible, you can be a registered not-for-profit society, a not-for-profit development corporation, a community association, a charitable organization, a local government, a municipal government, et cetera. Tier 1 has four intakes per year, tier 2 has two intakes per year and tier 3 has one intake per year, which is in January.

Some of the projects that we funded in the past: tier 1 funding went to things like the Braeburn Lake Christian Camp Association, which received \$2,500 to professionally install a new woodstove and chimney; Centre for Human-Wildlife Conflict Solutions received \$13,000 to develop Yukon WildWise: Let's Live Smart with Yukon Wildlife education materials, et cetera; the Klondike Snowmobile Association received \$15,000 to connect Dawson City with the Trans Canada Trail by upgrading and designating existing trails and placing signs. A project like that creates 160 hours of employment for four people in the community of Dawson City. They may not seem like large amounts sometimes, but they are very beneficial to the communities.

Recreation and Parks Association of Yukon has nearly \$20,000 to help educate staff and volunteers about healthy food and beverage choices in recreation centres.

The Royal Canadian Legion — \$20,000 to create a Vimy heritage housing business plan, which is a first step in developing seniors supportive housing. Society of Yukon Bird Observatories — \$4,000 to develop a new website to increase public awareness of Yukon bird observatories and Yukon birds. Teslin curling club — \$4,000 to buy ice-making equipment.

Teslin Tlingit Council — \$20,000 to research and develop an exhibition with an interactive map that will illustrate the TTC traditional territory and showcase the First Nation's jour-

ney to self-governance. This project will create 472 hours of employment for four people. That's quite a thing for a small place like Teslin.

Yukon Freestyle Ski Association — \$3,700 for website development. Yukon Wildlife Preserve — \$14,000 for a snowshoe hare exhibit. Carcross Community College — \$1,900 for food security essential skills.

Recreation and Parks Association of Yukon — \$9,000 for Cycle Smart for Yukon Kids to provide on bike safety skills and training to children throughout the Yukon, which is another project that doesn't seem like a very big project, but it creates 515 hours of employment for four people. Yukon River Inter-Tribal Watershed Council — almost \$20,000 for Yukon youth and the participatory geography initiative to introduce Yukon's youth to the world of participatory geography, a method that connects observational and traditional knowledge, modern scientific studies, and hands-on engagement with issues about community preservation, environmental conservation and youth skill development — 800 hours of employment for two people. The Senior Metro League soccer league — \$3,000; Tennis Yukon — \$7,500; the Town of Watson Lake — \$17,000 to provide two new shows for the Northern Lights Space and Science Centre. The list goes on and on and these projects are very beneficial to every community in the Yukon.

In 2012-13, the community development fund has been distributed to the following communities: two projects in Burwash; three projects in Carcross; three projects in Carmacks; six projects in Dawson City — for the Member for Klondike; five projects in Haines Junction; one project in north Yukon; one project in Mayo; one project in Pelly Crossing; one project in Tagish; four projects in Teslin; two projects in Watson Lake; 33 projects here in Whitehorse; five projects in Whitehorse rural and 15 other projects Yukon-wide. That is a total of 82 projects with a total expenditure of \$2.6 million. The \$2.6 million is quite an investment here in the Yukon.

As you may have noticed, I am pretty proud of the work done by the fine folks over at the community development fund offices.

In closing, I'd just like to thank the Minister of Finance for another balanced budget that I believe will improve the lives of all Yukoners. Again, I'd like to thank my constituents and wonderful family for their patience and support.

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

Hon. Mr. Pasloski: I'd like to begin by thanking our caucus and our ministers for the excellent job they have been doing. I'd like to thank the department staff and the leadership of the departments and all the people who work in the departments who give us everything and help us get to where we are today.

Certainly, Mr. Speaker, this is an exciting time in the Yukon with such a strong economy. We've talked about all the projects, programs and services that this government is doing, the capital investments that we're making, and the fact that we've got some money left in the bank. During this time, this

decade, on this pathway to prosperity, this government has provided no tax increases at all during this decade, and during this time we have made 10 amendments that have in fact reduced taxes for individuals and for small businesses, to the tune of almost \$6 million a year.

This is in stark contrast to where we were only a short decade ago, to reflect back to the years of 1996 to 2002 where we had a mass exodus of people, no job creation and we lost all of those young people in the 25- to 40-year old age group because they had to leave home. They had to leave the Yukon because they couldn't find a job here.

With the introduction of a Yukon Party government along with 11 of 14 First Nations signing self-government agreements and the responsibility for the management of our land, our water and our resources coming to the Yukon to be managed here, it has made an incredible difference. This Yukon Territory has one of the strongest economies in all of Canada during this time and during times such as the economic collapse within the economy not only in Canada, but globally in 2009. This territory heard about it, read about it, but did not experience such a decline or a recession in their economy. In fact, our economy was increased by 7.7 percent that year.

It was truly an incredible indication of the strength of this small but growing and diversifying economy. During this time as we continue to grow and continue to diversify, we continue to see the strength in that economy as measured locally through our own-source revenues. The Leader of the Official Opposition spoke of little growth in our own-source revenues. That is absolutely incorrect. In fact, through this decade, we have seen an increase in our own-source revenues by more than 100 percent from where they were when we resumed power back at the end of 2002. Our dependence on the federal government — while we've seen our own-source revenues increase by 100 percent, we've seen our funding through the federal grant go up by a little over 80 percent. So you see continued growth — faster growth — in our own-source revenues. During that time as this economy has grown, what we have seen is that the government portion of that economy continues to shrink.

So when we took office, we saw the GDP contribution by the government to the total Yukon economy being approximately 39 percent. In fact, now it is down around 30 percent. So government is becoming a smaller portion of this growing strong economy.

I think the real indication of the successes is the increases in personal income taxes. Because many of the businesses that live and operate in the Yukon are smaller businesses and they don't incorporate, their revenues are incorporated in their personal taxes. So if you were to review the increase in the personal income taxes paid in the Yukon, you would see tremendous growth. When it comes to corporate taxes, we have made no changes at all there, or to personal taxes, but the Yukon has the second highest corporate tax rate in the country.

We heard again statements about how the NDP likes some jobs more than other jobs. There are some kinds of jobs that they like; there are other jobs that they don't like. They do certainly like public sector jobs more than they like private sector jobs. This government likes all jobs and we respect all the peo-

ple who work in this economy. The fact is in the last 10 years we've seen an increase in the number of people working in this territory by 3,000; we've seen an increase in the number of people who live in this territory by 6,000 after the exodus we saw under the two previous administrations.

I do believe, contrary to the Leader of the Official Opposition, that ordinary people are benefiting from this growth in the economy. We see it across the line; we see the growth and investments we have created here; the opportunities that policies put forward by this government have created a massive investment by the private sector as well. We see that even here in town. If we drive around, we look at some of the construction projects that are going on. These are individuals, companies, that feel very confident in our economy so they are making massive investments of their money because they see how strong this economy is and they are very confident that they will see a substantial return on their investment. We just have to drive around any part of town and we see that is going on. That's not all government money, and that was one of the goals of this government — to put in place those things that can help us get to the point where the private sector will step up and ensure that we have strong growth in our economy.

A big component of that is tourism. I do believe and this government believes that there is room in this territory — this territory of almost 500,000 square kilometres and 36,000 people — for tourism and for mining. We believe that responsible development is something that is a cornerstone of the success of this territory and we do believe that we can, in fact, have a growing tourism business. As I have stated before, there has been steady growth in tourism every year over the past decade. We are really at the top of the nation when it comes to tourism. We'll continue to invest, and I thank the Minister of Tourism and Culture for the hard work that he's doing to ensure that we continue to work those markets that have been successful for us and continue to look at other markets as well to continue to grow a very important part of our economy.

I found it interesting today to listen to the Official Opposition make a motion about a bill that was tabled by a member of the New Democratic Party in Ottawa.

I find it confusing to see how they would be supporting this motion that relates to an area in Africa when there seems to be no concern or problem with the fact that 100 percent of the fossil fuels that this territory needs have to be imported from other parts of the world with no real regard or concern for where those come from, because we know that most of the major oil-producing nations in this world are not democracies. They are places where the media does not have access, where people do not get to vote, places where women are stoned — but that doesn't seem to be a concern. The people on the other side of this House have not registered any issue or concern with that, where we could have here in Canada, as we do have very tight, rigid permitting, monitoring, regulations and inspections to ensure that responsible resource development can occur — not only occur here, but bring with it the massive wealth, the great jobs, and the training opportunities so that our Yukoners and Canadians could benefit from this economy. I found that interesting, but again it was similar to the fact that they also

voted against the motion put forward by the government on the oil and gas industry. It was science-based and promoted dialogue with Yukoners to really look at the three phases of oil and gas exploration, production and reclamation and closure.

It seems that the opposition does say one thing and then also says the other thing.

I think I also heard some talk about no money for aerodromes. I was hoping to have some stuff here. I know that the Minister of Highways and Public Works did actually speak to the investment of well over \$1 million — I think it's \$1.3 million or \$1.2 million on aerodromes.

We are committed to an archival project. The Leader of the Official Opposition did mention how important this is. Not only are we committed to that project going forward, but we are looking at a broader scope for this project as well. We look forward to moving that forward and discussing that with this House in the future.

You know, it's a juxtaposition. I just sit and listen and I try to relate to some of the concerns and the process that the people on the other side of the House are talking about because I think one of the fundamental differences is that, while this side of the House is focused on outcomes, the other side of the House — the opposition — is focused on process. While there is absolute need for process, we need to ensure that what we do is evaluated, but our focus is on outcomes. I think it goes back to a relation, I think, with the NDP — how they feel that this economy can go forward because we've seen what they did the last time they were in power. I get concerned because there was a statement made by the NDP — I believe it was the Member for Mount Lorne-Southern Lakes who said that we can have it all and live within our means.

That is the model that places like Greece and Cyprus tried to live by. They thought they could have it all and live within their means. Unfortunately, that's just not possible.

In closing, I want to say again that the budget for this year is \$1.230 billion, of which the O&M budget is \$977.35 million, of which just under \$89 million is recoverable. Our capital is \$252.72 million, of which just under \$54 million is recoverable. This falls in the tradition of budgets that have seen the strongest growth in GDP in this country as a percentage.

There's a strong growth in population while we still maintain below average unemployment numbers in the territory. We are on the right path; we are on the path to prosperity. We'll continue to foster a strong economy so that this government can continue to deliver programs and services and capital projects that are important to Yukoners.

We'll continue to do it in a fiscally responsible manner so that when things come about that are not anticipated, such as the flooding in Liard, or when we realize there are risks out there like the Shakwak agreement, the territorial health system sustainability initiative — we have risks out there. But, Mr. Speaker, because of the management we have had and the way that we have gone forward, we are in a strong position to be able to deal with these things.

I'd like to again thank our caucus for the work they have done. I'd also like to take the opportunity again to thank the

constituents of the riding of Mountainview, which I represent. It is an honour and a privilege every day.

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.

Mr. Tredger: Disagree.

Mr. Silver: Disagree.

Clerk: Mr. Speaker, the results are 10 yea, four nay.

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

Motion for second reading of Bill No. 10 agreed to

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

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

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair (Ms. McLeod): Order please. Committee of the Whole will now come to order. We are going to move into general debate on the *Interim Supply Appropriation Act, 2013-14*. That is Bill No. 9.

We are going to recess for 15 minutes while we arrange for officials.

Recess

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

INTRODUCTION OF VISITORS

Hon. Mr. Kent: I'd like to ask members of the House to join me in welcoming two Riverdale North residents. George Clarke and his son Josh Clarke have joined us here in the gallery to watch one of our newest pages, Sean Clarke, George's

other son, in action today. I'd ask all members to join me in welcoming them.

Applause

Bill No. 9: Interim Supply Appropriation Act, 2013-14

Chair: The matter before the Committee is general debate on Bill No. 9, *Interim Supply Appropriation Act, 2013-14*.

Hon. Mr. Pasloski: I'm pleased to make a few short comments to the Committee of the Whole on Bill No. 9, *Interim Supply Appropriation Act, 2013-14*. This will allow the public service to continue to make certain expenditures while the main estimates for 2013-14 are being considered by the Legislative Assembly during this sitting.

The interim funding request is for the period of April 1 until May 31 of 2013. The total amount for which approval is sought in the *Interim Supply Appropriation Act, 2013-14* is \$407,383,000. That's made up of capital expenditures of \$139,512,000 and operation and maintenance expenditure appropriations totalling \$267,871,000. This is the amount required for a two-month period having been derived by canvassing all of the departments within the government to determine what their expenditure requirements will be during this two-month period.

The amounts are significant, largely owing to the fact that a large portion of commitments and expenditures are made during this period, as was actually discussed in second reading debate of the budget mains.

I look forward to any debate that we have on this appropriation bill in the Legislature and its quick passage, so that the operations of the Yukon government can continue while we do have the budget mains before us.

Ms. Hanson: Thank you, Madam Chair, and welcome back from our caucus.

I'm going to be brief. I believe I made my comments pretty short and clear during the second reading. We, of course, will support the interim supply bill because it does make sure that the functions of government — the operations of government — can continue. We do want to make the point again that there are alternatives to having this kind of measure used, in terms of having the Legislature convene earlier so that it would allow us to have a more thorough debate on the budget prior to the end of the fiscal year.

However, that being said, we will be focusing on the government's spending priorities in the main estimates for 2013-14 when we discuss them. In effect, what we are suggesting here is that we move to quick passage of the interim supply. I agree with the Minister of Finance. We will have a few questions with respect to the supplementary estimates for 2012-13, but in the interest of expediting the passage of this interim supply bill, we would like to suggest — and I'm not sure what the language is, which is why I am looking at you, Madam Chair — that we move as quickly as possible to line by line and further that we deem the interim supply bill be carried quickly in line by line.

Chair: In order to expedite this bill, we will have to conclude general debate. Does anyone else wish to speak?

Hon. Mr. Pasloski: Seeing as we have no further general debate on the interim supply bill that will authorize the funding of appropriations to meet the government's needs for

the first two months of the fiscal year 2013-14, not to exceed \$407,383,000 — of this amount, \$267,871,000 is O&M and \$139,512,000 is capital — I would concur and end my comments.

Chair: We have concluded general debate on Bill No. 9.

Ms. Hanson: Madam Chair, pursuant to Standing Order 14.3, I request the unanimous consent of Committee of the Whole to deem all clauses, schedules and the title of Bill No. 9, entitled *Interim Supply Appropriation Act, 2013-14*, read and agreed to.

Unanimous consent re deeming all clauses, schedules and the title of Bill No. 9 read and agreed to

Chair: Ms. Hanson has, pursuant to Standing Order 14.3, requested the unanimous consent of Committee of the Whole to deem all clauses, schedules and the title of Bill No. 9, *Interim Supply Appropriation Act, 2013-14*, read and agreed to. Are you agreed?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted. *Clauses 1 and 2, and Schedules A and B, deemed read and agreed to*

On Title

Title agreed to

Hon. Mr. Pasloski: I move that Bill No. 9, *Interim Supply Appropriation Act, 2013-14*, be reported without amendment.

Chair: Mr. Pasloski has moved that Bill No. 9, *Interim Supply Appropriation Act, 2013-14*, be reported without amendment.

Motion agreed to

Bill No. 8: Third Appropriation Act, 2012-13

Chair: We will move to general debate on Bill No. 8, *Third Appropriation Act, 2012-13*.

Hon. Mr. Pasloski: As identified in this act, *Third Appropriation Act, 2012-13, Supplementary Estimates No. 2*, provides for sums required of \$5,641,000. These sums required are offset by sums not required of \$28,357,000. As discussed, members of the Legislature will note that we did issue a special warrant on March 7 in the amount of \$5,641,000, in accordance with the *Financial Administration Act*.

The amounts authorized in the special warrant are identified in this *Third Appropriation Act, 2012-13*, and summarized by department in Schedule C.

As I have been speaking today on this, it is an opportunity for us to review, on the revenue side, that \$1.491 million in general revenues is offset by a decrease in recoveries of \$9.992 million. The appropriate accounting requires that we match recoveries with expenditures, where expenditures decrease. We see a corresponding decrease on the recovery side. For this supplementary we see a number of expenditure reductions related to recoverables, such as the Building Canada fund. Of course, we remain committed to these projects. However, these changes essentially reflect adjusted cash flow requirements for these projects, deferring them for the future years, as necessary and consistent with the revised estimated appropriation re-

quirements, after the necessary adjustments to appropriately reflect the government's accounting policies, which are, of course, in accordance with the public sector accounting standards, as is required.

What we are reflecting in this act — and really, it is the opportunity for a financial update by the government as we near the end of the fiscal year of 2012-13 — is an anticipated annual surplus for 2012-13 of just over \$81 million. We forecast year-end net financial resources — and I mean for forecasting for March 31, 2013 — of approximately \$127.6 million. This is really another term for “net financial resources.” It really is — you might want to call it savings account; you might want to call it a bank account. As articulated, there are also sums that are not required. Really, these are an opportunity to identify capital projects where there are anticipated lapses to include these amounts in the 2013-14 main estimates. So I think another way to look at that is to really consider them as early revotes as well.

Bill No. 8, *Third Appropriation Act, 2012-13*, identifies \$28.357 million as sums not required, of which \$17.93 million is included in the 2013-14 budget. Now, each of the individual ministers will be pleased to provide the details during debate on these projects. Some of them, as I had mentioned, would be the arrest processing unit, the Options for Independence project, Betty's Haven and, of course, the Campbell Highway as well — improvements and reconstruction there. The reason for tabling the supplementary estimates is to give the opportunity for the Legislature to consider those departments requiring spending that is different from what they have appropriated — that has been approved by the Legislature to date. Now this supplement provides that opportunity.

The majority is under operation and maintenance votes. Most significantly is Education — \$1.625 million; Community Services — \$1.115 million; Health and Social Services — \$2.417 million.

I'd like to also just mention — again, when we speak about budgets and as we are tabling the mains for 2013-14 — that a budget is purely a planning process based on the information that we have at the time, and the things that we know, we go forward with the budget. But plans change over time as a result of circumstances that can and do occur. But I think, in light of our financial position, it allows us that flexibility to be able to respond to needs and issues as they arise or risks as they materialize.

From the Department of Education, I would like to note that of the \$1.625 million, the majority — \$1.212 million is recommended as a result of the negotiation with the new collective agreement between Yukon government and the Yukon Teachers Association. I think it's very important and certainly an adopted practice of this government to not include anything to be appropriated prior to negotiations because I think that that can unduly influence the collective bargaining process.

It is very important that we ensure that the employees have a level playing field, and that it is not just perceived but that's actually how it is. So we don't put any money in the budget in anticipation of that collective process, but in fact they are appropriated after the negotiations are completed.

Within the Department of Health and Social Services, I'd like to commend the minister. He talked about the 1,400 employees plus, and over 400 within the Hospital Corporation as well. As with all departments, it is no small task to manage the pressures that they face within their approved budgets so I'd like to commend all the ministers for the fine work that they do on behalf of that in their departments. There are a number of things as I speak about Health and Social Services — pressures that they face that they have no control over. For example, there is what the physicians bill — their claims to the government in terms of billing for services that they provide on a fee-for-service basis, as well as payments that are made under the pioneer utility grant.

I do also want to say that the savings account that we have is really the envy of the country. At this point I believe there is only one other jurisdiction that is in that sort of an enviable position: not having any net debt, meaning that we have more than we owe. This is significant as it allows us to be flexible in timing and in our investments as well. A very healthy net financial resource position has provided us and will continue to give this government the opportunity to make significant capital and program investments to the benefit of all Yukoners.

I look forward to the opportunity for debate within the *Third Appropriation Act, 2012-13*, and look forward to the comments from the other side of the House and the excellent responses from the ministers.

Ms. Hanson: As I said in general debate, our intention and desire would be to see us move to the debate by department in Committee of the Whole, during which I anticipate my colleagues will be eager to raise questions. I would note that the tabling of a supplementary estimate is not simply an update. The changes that are proposed here do require the due diligence of this Legislative Assembly prior to approval because, as we all know, in the course of government and life, additional monies required and monies not spent both require review. The fact that monies are not spent is not necessarily a sign of good management, and vice versa. The key is that this Legislative Assembly exercise its responsibility to ensure the probity of all government expenditures.

I would like to suggest that we move into review of the supplementary estimates budget so that we can really get around to the focus of the spring sitting, which is debate and discussion about government policy and direction with respect to the 2013-14 main estimates. In fact, we already have the cart out here on this one; the money has been spent, so we need to know — we have a requirement and an obligation as Members of the Legislative Assembly to exercise that due diligence in terms in what the differences were and why, so that we as a whole can learn from that. Then we move on to the important work that we all face in terms of the discussion and debate of the 2013-14 main estimates.

Hon. Mr. Dixon: It is pleasure for me to rise in general debate here to discuss the supplementary appropriation for 2012-13. In general debate I'd like to focus primarily on the monies in this bill identified for the Department of Environment.

As the Leader of the Official Opposition noted, of course, in some cases additional money is needed or, in some cases, not as much money as was originally appropriated was spent. It is our duty to provide explanations on the various changes that occur.

On the part of the Department of Environment, what we'll see in this supplementary appropriation for 2012-13 is a fairly modest increase of 0.2 percent in the department's budget over the \$32.4 million originally voted to date in the 2012-13 main estimates.

There is, as I said, a fairly small increase, but that is the net impact of a few increases and decreases throughout the department. I wanted to touch on a few of these in general debate because I think it's valuable to do so.

Of course, one of the important increases in our budget was with the capital expenditures. In this supplementary appropriation the department was asking for an increase of \$75,000 to cover some of the planning work that needed to be done in advance of the construction of the new campground at Atlin Lake.

The reason why we wanted to get to work on this so quickly and why we added it in the supplementary appropriation is because we were hoping to begin construction on that project this summer. In order to do that, some of the early stage planning work needed to be done to prepare the plans and submissions that will ultimately have to go into the review processes, such as the YESAB process.

In this supplementary appropriation, there is that \$75,000 seeking to cover the planning phase for the new campground. As I mentioned yesterday and, I believe, earlier in the sitting as well, that campground is planned for Atlin Lake. It's at kilometre 40 of the Atlin Road. It's something that I'm particularly very excited about and did want to raise in general debate because it's something that was certainly a commitment of ours in the election and, of course, something I've heard from a number of folks throughout the Yukon and, indeed, visitors as well. We know our campgrounds are very well attended by both Yukoners and visitors alike and they remain a source of pride for the Yukon government. It's certainly an honour for me to be a part of the process to add to the capacity of our overall campground system with the construction of this new campground.

So again, the reason why this is in the supplementary estimates is that we wanted to get to work immediately on the planning process and, as we will discuss when we get to the main estimates for 2013-14, we'll see the full amount for this coming fiscal year identified as \$780,000, I believe, which will cover the actual turning of dirt, so to speak, and beginning of construction this summer.

Another important item in this supplementary appropriation for 2012-13 was an increase in our operation and maintenance expenditures for the 2012-13 year. There are a number of things that I could touch on there, but one of the items I suggest that I should discuss today relates to some overtime costs sought by our Conservation Officer Services branch. The reason for the increase beyond the capacity of the department to manage within was something that I've discussed in this House

before, which was our remarkably high number of cases last year of human-bear conflict.

As I mentioned earlier this sitting, our conservation officers were run off their feet responding to cases where people had bears in their backyards, in some cases on their deck, or in the general vicinity of their properties. While the majority of these are fairly innocuous, oftentimes people, when they see a bear in their backyard, in some cases panic and in some cases call the RCMP, sometimes friends or family, but oftentimes they call conservation officers because they know that conservation officers are always there to respond to their needs as they've done throughout the history of conservation officers in the Yukon.

Of course, due to last year's unusually high number of human-bear conflict issues, we're seeking some additional monies for overtime costs. The amount is \$66,000. Members may recall, as I mentioned, that this was due to a crash in the berry crop, mostly in the Southern Lakes region, which resulted in more bears than usual going into yards to seek food and unfortunately finding it there, despite the best efforts of the department staff, as well as a number of other organizations in the territory, to promote awareness of best practices for handling of waste and other foodstuff on one's property.

It's something that we continue to try to promote: that Yukoners be aware of the fact that we do live in a wilderness area, and the reality of that is that we will encounter wildlife, including bears. The unfortunate reality is that when bears come into such close contact with humans or their homes and begin to eat either garbage or human food, they often become dependent upon it — hooked on it, so to speak — so they become what are sometimes referred to as "problem bears."

So, obviously, as an absolute last measure or last possible option, relocation of those bears is sometimes considered. The unfortunate reality again with that is that the relocation of bears has a very low instance of success. Oftentimes when you relocate a bear to another region, you are relocating a bear to a region that's already inhabited by another bear, and when one bear goes on another bear's turf they will often fight and one will die. The instances of success for relocating bears are fairly small, so we do try to minimize our usage of that tool.

Likewise, as well as having a low rate of success, it's also very expensive. It's expensive for us to trap the bears and net them, and usually helicopter them to a more remote location. I have heard anecdotally that in some cases it has cost between \$5,000 and \$10,000 a bear if they have to go a far enough distance. That's obviously a very significant cost. As I mentioned, the increased activity led to conservation officers logging a significant amount of overtime, which explains the increase being requested in this supplementary appropriation for 2012-13. That's only one component of our operation and maintenance expenditures, which is, in a general sense, seeking a net increase of \$171,000.

An additional \$11,000 on top of the \$66,000 for CO services branch overtime costs is for trapper education workshops, so that \$11,000 is sought to provide those workshops. Of course, trapper training is an important requirement for licensed trappers and concession holders. Members of group

traplines must also meet these requirements to maintain their group memberships. These funds are 100-percent recoverable from the workshop fees charged to participants.

As well, due to unusually high volumes of special waste this year, \$84,000 is being sought by the Environment Programs branch to augment existing funding for the special waste collection program. This program is available to businesses across the Yukon. The department pays for collecting and transporting the waste, while the businesses that generated the waste are responsible for the disposal costs, which vary depending on the type and volume of special waste involved. Collection is usually held each year in the fall. As I'm sure members are aware, dealing with special waste, obviously, is an important matter, as those wastes can often contaminate soils and other parts of the environment if they are left untreated and not dealt with. So we offer that program and ask that businesses handle the cost of the actual disposal. In the case of electronic waste or certain hydrocarbon waste, special waste like used oil, or heavily contaminated used oil, or oil that's contaminated with antifreeze, it is often shipped down south.

In the case of those hydrocarbons or used oil, as I mentioned, they're often shipped to a place in Alberta and, as I mentioned, the department will pay for the transportation costs as we collect all of the waste from around the territory — as much as we can, at least — to make sure that we are efficient in our transportation. Then the companies that generate the waste pay for the cost of the disposal at the southern Outside facility that deals with these sorts of things.

It would be nice, of course, if we could deal with some of these things locally, but the scale and type of contaminated products — or special wastes, I should say — are such that we don't have the economies of scale to sustain such facilities here in the territory, at least for the foreseeable future. There may be a time when a company finds it economical to process some of those special wastes here in the territory, but that remains to be seen.

A further \$10,000 is being requested to cover the costs of casual staff hired to enter Parks Canada data into the Biota database, which is managed by the Yukon Conservation Data Centre. The Yukon CDC gathers, maintains and distributes information on animals, plants and ecological communities at risk of conservation concern in Yukon. It is a member of a network of data centres and natural heritage programs around the world, coordinated by NatureServe International. Again, these funds are 100-percent recoverable.

Lastly, there is an \$8,000 internal transfer from the deputy minister's office to the assistant deputy minister's office of Environmental Sustainability to reflect current responsibilities for health and safety initiatives. So that's a rather small but important transfer within the department, which causes us to seek an additional \$8,000 for that transfer in the O&M expenditures.

With regard to capital expenditures in the Department of Environment, overall we would be seeking an approval for a \$99,000 net decrease. Despite the increase in the funds for the Atlin Lake campground, there are a number of decreases within the department as well. The first is with respect to the informa-

tion systems equipment and furniture section. In that section we seek a decrease of \$100,000 to reflect the department's decision to defer work for one year on the Yukon environment information system. Unfortunately, staff had to be reassigned to higher priority system projects, but work will resume on this information system in 2013-14, and members will look forward to seeing that activity in the 2013-14 main estimates, which we'll be discussing later this sitting, I'm sure.

A further \$50,000 decrease is needed to reflect a transfer from the Department of Environment to the Department of Highways and Public Works with respect to the environmental licensing and monitoring system project.

The environmental licensing and monitoring systems project — also known as ELAMS — will be handled by Highways and Public Works as part of its planning, permitting, inspections, and enforcement project.

Additionally, with respect to lands and facilities, the Department of Environment is seeking a decrease of \$24,000 to reflect the transfer from the Department of Environment to the Department of Education to replace a fire alarm at Whitehorse Elementary School. This capital maintenance and upgrade change reflects interdepartmental cooperation on infrastructure matters. This is a case where the respective departments came together to find a solution that worked for the immediate needs of the school and also the long-term needs of both departments and the government corporately.

Also within this supplementary estimate, we have adjustments to the third party recoveries resulting in an overall decrease of \$3,000. This includes a number of increases and decreases as well. It includes a transfer of \$10,000 from the Corporate Services budget area to Environmental Sustainability to properly allocate funds to the Southern Lakes grizzly bear DNA study.

This research looks at not just numbers of animals, but also nutritional status, habitat use, the age of bears, how much they move around and how many cubs survive each year. I was very lucky to have the opportunity to join biologists on this particular project last summer and had a chance to get up with staff, so I would like to take the opportunity to thank them for letting me join them. It was quite the trip and it was very exciting to see how biologists collect this sort of data in a real world, hands-on situation. The way they tend to do that is something I'm sure I'd like to discuss with members at some point, but I would recommend that, seeing the time, we report progress to the House.

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

Motion agreed to

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

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

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

Ms. McLeod: Committee of the Whole has considered Bill No. 9, entitled *Interim Supply Appropriation Act, 2013-14*, and directed me to report the bill without amendment.

Committee of the Whole has also considered Bill No. 8, entitled *Third Appropriation Act, 2012-13*, and directed me to report progress.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Hon. Mr. Cathers: Mr. Speaker, 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 5:28 p.m.