

**Yukon Legislative Assembly  
Whitehorse, Yukon  
Thursday, April 18, 2013 — 1:00 p.m.**

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

*Prayers*

**DAILY ROUTINE**

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

Tributes.

**TRIBUTES**

**In recognition of Northern Scene festival**

**Hon. Mr. Nixon:** I rise on behalf of the Legislative Assembly today to pay tribute to Northern Scene.

Northern Scene is a 10-day festival running from April 25 to May 4 in Ottawa. It features 250 emerging and established artists from the north, including approximately 80 Yukon artists. There will be visual exhibitions, musical performance, theatre and film productions, as well as a fashion show and events featuring northern cuisine. Many Yukon participants are working with other artists from Yukon and the north in collaborations that tap into the immense creativity in the region.

Yukon government is proud to join the Northwest Territories and Nunavut in contributing \$200,000 from each territory to support this once-in-a-lifetime celebration of northern artists. I will very proudly join the contingent of Yukon artists as they showcase their work to a national audience. Northern Scene is an unprecedented opportunity for us to increase awareness of the north's diverse culture and inspire audiences to discover more of the unique region of Canada. Northern Scene is part of Government of Yukon's commitment to support artists in showcasing their work outside of the territory and exploring touring opportunities beyond the festival. Yukon government also recognizes the importance of providing opportunities for Yukon artists to present their work as part of the national and international contemporary art scene.

Northern Scene follows a number of other large cultural initiatives we have undertaken in the past, such as Yukon Culture during the Vancouver 2010 Olympic and Paralympic Winter Games. These large events complement the ongoing programs we have to assist artists in touring outside of the territory, in particular the touring artist fund, which provides \$100,000 annually to individuals and groups to build audiences beyond our borders.

Today at noon the Department of Tourism and Culture partnered with the Yukon Arts Centre and CBC North to present a live broadcast of the *Midday Café* show.

Yukoners who were a part of the broadcast audience heard interviews and enjoyed performances from some of the artists participating at Northern Scene.

I'd like to thank the Yukon Arts Centre and CBC North for partnering with us on that particular broadcast and thank the

many Yukoners who joined us at the Old Fire Hall to celebrate the accomplishment of our great Yukon artists.

Mr. Speaker, on behalf of the Government of Yukon, I would like to congratulate all of those who have been involved in the works featured at Northern Scene, whether they are the artists themselves or people working behind the scenes to support them. We have today with us in the gallery a number of artists who are travelling to Northern Scene — when I call out your name, if you wouldn't mind standing so you can be recognized. First is Dennis Shorty, who is a sculptor; Lyn Fabio, who is a visual artist; Michele Emslie, a Yukon presenter; Michele Genest, a chef; Graeme Peters, musician; Jessica Velenga, designer; Joseph Tisiga, visual artist; Rosemary Scanlon, visual artist; Christiane Vaillancourt, on behalf of Northern Scene programming partner, Northwestel; Mary Bradshaw, curator; and Al Cushing, president of Yukon Arts Centre.

*Applause*

**Speaker:** Introduction of visitors.

**INTRODUCTION OF VISITORS**

**Hon. Mr. Kent:** There are three individuals in the gallery here today I'd like to introduce, starting with Claire Smith. Claire is the program manager of Dream Catcher Mentoring. DCM is an innovative e-mentoring program that empowers northern students in all three territories to realize the rewards of staying in school by matching them on-line in a safe, secure environment with a mentor working in their aspired career. Claire is here in the Yukon to visit our schools as part of Education Week, so I'd ask members to join me in welcoming Claire.

*Applause*

**Hon. Mr. Kent:** Also with us in the gallery today is Dr. Rongo Wetere and his wife Marcia Krawll. Dr. Wetere, aside from being a recipient of the Order of New Zealand, is the managing director of ArrowMight Canada. ArrowMight Canada is a team of 20 education specialists, including First Nations, Inuit, and Métis consultants who work to deliver rewarding literacy programs that enable all people to achieve their lifelong goals. Please join me in welcoming them.

*Applause*

**Ms. Stick:** I'd like to invite the members of the Legislature to help me in welcoming Graham and Emily Nishikawa to the gallery. Anyone reading the local newspapers, even the *Globe and Mail*, is familiar with these siblings and their accomplishments. They've recently returned from the World Championships in Italy and the National Haywood championships in Ontario. They're on their one-month break from grueling training. They've come up to help at ski camps and to ski our trails all the way up to the summit. Hasn't the weather just cooperated with them?

Both of these young adults are born-and-raised Yukoners. They did their training at the Whitehorse Cross Country Ski Club and, with their own hard work and determination and the support of parents, families, community, friends, and govern-

ment, they have gone on to accomplish much with their cross country ski dreams. Please welcome Graham and Emily.

*Applause*

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

Are there any reports of committees?

Are there any petitions for presentation?

Are there any bills to be introduced?

Are there any notices of motion?

## NOTICES OF MOTION

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

THAT this House urges the Government of Yukon to foster collaboration in the information, communication and technology industry by providing core funding to the Yukon Information Technology and Industry Society.

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

THAT this House urges the Government of Yukon to conduct fall composition surveys of the Aishihik, Kluane, Chisana, Ethel Lake, Finlayson, Tatchun and Southern Lakes caribou herds.

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

THAT this House urges the Government of Canada to

(1) recognize that a successful, universal health care system in Canada requires the Government of Canada to take a strong leadership role in developing nationwide approaches to health care issues, as well as maintaining national standards; and

(2) continue to fund the Health Council of Canada in recognition of its important role in maintaining national standards and a coordinated approach to health care.

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

This then brings us to Question Period.

## QUESTION PERIOD

### Question re: Whistle-blower legislation

**Ms. Hanson:** While the clock ticks on the unfulfilled 10-year-old Yukon Party promise to protect whistle-blowers, this government has been busy ramping up control of what public servants are allowed to say.

So here we are at the end of Education Week. We've heard the minister paying tributes and saying nice words. All the while, outside the light of public scrutiny, an edict is sent down that employees in Education had better watch what they say. I'm referring to the chilling "making public statements" policy, which I will file now.

Why does the Yukon Party government think that the best way to handle controversy — and we all know there has been a lot of controversial moves by this government — is to stifle voices and silence public servants?

**Hon. Ms. Taylor:** I am not entirely sure what the member opposite is referencing, but I can say that there has

been no change in policy or application of policy when it comes to communication for government employees for many, many years.

Again, when it comes to whistle-blower legislation, as the member opposite articulated, we look forward to implementing the recommendations of the whistle-blower select committee's work and we commend them for that work and we certainly are undertaking work as it pertains to coming up with a workplan for proceeding with public interest disclosure legislation based on other jurisdictions' practice. That work is currently underway among the Public Service Commission and the Executive Council Office. We certainly take this work very seriously.

**Ms. Hanson:** The policy stated coming into effect April 1 and putting out this policy on the heels of this government's controversial handling of the F.H. Collins Secondary School replacement and the same-sex policy at Vanier sends a clear message: employees need to be quiet. The Yukon Party government appears to be following the lead of their Conservative masters in Ottawa who have muzzled scientists from speaking truths that contradict with their world view and political objectives.

The Yukon Party talks about respecting the public service. They pay lip service to our *Charter of Rights and Freedoms* while they send a chill throughout the public service that employees must not speak on issues; they must get clearance before they express their opinions or they will suffer consequences.

Will the minister responsible for the Public Service Commission confirm whether the policy muzzling Education employees extends to all other government employees and departments?

**Hon. Ms. Taylor:** Mr. Speaker, I am not entirely sure what the member opposite is referring to, other than the fact that the Yukon government does value the work of each and every one of our public service employees. We certainly appreciate all of their contributions on behalf of the citizens of this territory. As I tried to articulate in my remarks earlier, I am not aware of any specific change when it comes to communication for government employees. If there was any change, it certainly would be at the administrative level. It certainly is something that we can undertake to look at, but without seeing what the member opposite is referring to, it is a bit difficult to respond to.

**Ms. Hanson:** I would remind the ministers opposite that they are accountable and responsible for all that occurs in their departments.

Yukoners working in the public services make up more than 10 percent of our population. These Yukoners have thoughts and opinions that should be part of our major public policy debates. Quality public service is not just about following orders; in fact, it involves telling uncomfortable truths to power. Instead of listening to the public and to public servants, instead of listening to criticism and dealing with controversies head-on, the Yukon Party wants to manage and control the message.

Look at their restriction to access to information; look at the broken promises on whistle-blowers. Now they are muz-

zling public servants and their policies. Public servants have counted on us, the Official Opposition, to keep standing up to the bullying behaviour exhibited by this government, and we will continue.

When will the Yukon Party government actually deal with the real, significant public policy matters that it has created and stop censoring and muzzling public servants?

**Hon. Ms. Taylor:** You know, I take great offence with what the member opposite has referred to. The accusations that are being thrown across this way without showing any particular information, which she continues to refer to, is a bit unfair.

When it comes to the public service, the Yukon government very much values the contributions and the hard work and the efforts of each and every citizen on behalf of the citizens of the territory. When it comes to those employees who feel aggrieved by decisions, or who feel they have been treated unfairly, there are a whole host of mechanisms that employees can certainly subscribe to, as they have over the years — letters within the collective agreements. There are mechanisms within the *Public Service Act*. There are mechanisms through the *Workers' Compensation Act* and the *Occupational Health and Safety Act*; and there are mechanisms through the Ombudsman. As I articulated before, we are committed to implementing the recommendations of the Select Committee on Whistle-blower Protection, and that work is currently underway. We will continue to adhere to our legal obligations, as defined under the statutes and collective agreements.

**Question re: National public inquiry into missing and murdered aboriginal women and girls**

**Ms. Moorcroft:** After a recent meeting with aboriginal affairs ministers, reportedly from every province and territory in attendance, except B.C., yesterday Canada's provinces issued a joint call for a national public inquiry into missing and murdered aboriginal women and girls. This is the first time provinces have issued such a joint call. It's also said to be the first time Canada's provinces and territories have taken such a united stand with five national aboriginal organizations.

Each jurisdiction is doing something on its own, but a collective federal, provincial and territorial voice on this issue would certainly be more powerful. Can the minister responsible confirm Yukon sent representation to the recent national meeting of premiers and aboriginal affairs ministers, and what is Yukon's position regarding the joint call for a national public inquiry into missing and murdered aboriginal women and girls?

**Hon. Mr. Pasloski:** Indeed, the Yukon government did send representatives. Unfortunately, I was unable to attend because the meetings were going on while we were sitting here in the Legislative Assembly. I am accountable to the people of the Yukon, and that's why I am here right now. The budget is one of the major items for debate in the spring session.

Representing Yukon were the assistant deputy minister responsible for Land Claims and Implementation Secretariat, as well as the director of policy. They have just returned. There will be a communication coming from the chair of their Aboriginal Affairs Working Group, and it will be seeking an endorsement, I assume. We will have a look at the letter. We will

look forward to the opportunity to be briefed by our officials on the meeting as well.

This is a group that comes out of the work of the Council of the Federation, which is the Premier's leadership within all the provinces and territories. It has been working with five aboriginal groups now for a number of years focusing on many areas, and we will continue to do that work. For example, it has been focusing on closing the graduation gap, income gap and dealing with the tragedy of the violence against aboriginal women and girls.

**Ms. Moorcroft:** I'm pleased that the Yukon sent representation, but the Premier did not answer my question. The Aboriginal Affairs Working Group issued a communiqué yesterday. In that communiqué, they called for a national public inquiry into missing and murdered aboriginal women and girls. I would like again to ask the Premier and the minister responsible for aboriginal affairs whether the Yukon will join the call from the rest of the country, together with the Assembly of First Nations of Canada, the Métis National Council, the Inuit Tapiriit Kanatami, Native Women's Association of Canada and the Congress of Aboriginal Peoples, and call for a national public inquiry into missing and murdered aboriginal women and girls?

**Hon. Mr. Pasloski:** Certainly, this Government of Yukon recognizes the tragedy of violence against aboriginal women and girls and has been working closely with aboriginal groups, Yukon First Nations and aboriginal women in a number of key initiatives. Yukon has been one of the first jurisdictions responding to and addressing the issue of missing and murdered aboriginal women in our communities.

In 2010 to 2013, the Women's Directorate provided support to the Yukon Sisters in Spirit project, which was designed to research the occurrences of missing and murdered aboriginal children and women and work with families in the communities to develop relevant violence prevention and public education initiatives.

Like with anything else, this government looks at things before we make a decision. There was a press release that just came out. We're waiting for more information from the chair of the committee. I'm looking forward to an opportunity to be briefed by the officials. As I have mentioned, we've worked supportively as a territory, but also collectively as part of the Council of the Federation on this very tragic issue of murdered and missing aboriginal women and girls, and we look forward to continuing to be a vital and positive impact on resolution of this issue.

**Ms. Moorcroft:** I was looking for a clearer and shorter answer than that. The Premier and the minister could have said yes. The Premier and Aboriginal Affairs ministers from Nunavut and the Northwest Territories were in attendance, and it is disappointing that the Yukon's Premier wasn't. Next week, Canada's ministers of justice are invited to Ottawa to participate in a consultation regarding victims legislation. The harsh and stark truth is that an estimated 600-plus aboriginal, Métis, and Inuit women went missing, and it took years for them to be even recognized as victims. I'm happy to pair with

the member opposite while he travels to national meetings about victims.

Will Yukon's Minister of Justice demonstrate leadership at the federal Victims of Crime Conference by urging his ministers of justice colleagues to join the Aboriginal Affairs Working Group in its call for a national public inquiry into the 600-plus missing and murdered aboriginal women in Canada?

**Hon. Ms. Taylor:** As the minister responsible for the Women's Directorate, I just want to reiterate the Yukon government's commitment to working hand in hand with Yukon aboriginal women's organizations — which this government has done over the last 10 years. We continue to work hand in hand with them to provide access to funding support and other in-kind initiatives. We have been working across the spectrum on housing and security. We have provided violence prevention funding and long-term funding support for their work to advance aboriginal women's equality. This funding is so fundamental in reducing the amount of violence, which is staggering in this country and in this territory.

As the Premier did outline, we are very much committed to adhering to the recommendations that were put forth through a recent Yukon Aboriginal Women's Summit, and in fact we have provided almost \$450,000 over the next three years in support of those recommendations.

We are also very proud to be able to continue to provide support in terms of violence prevention, funding mechanisms and through the women's equality fund. There is core funding to groups such as Yukon Aboriginal Women's Council and the Liard Aboriginal Women's Society and the Whitehorse Aboriginal Women's Circle.

Mr. Speaker, we are —

**Speaker:** Order please.

**Question re: Internal audits**

**Mr. Silver:** Mr. Speaker, I have a question for the Premier. Over the last number of years, the Auditor General of Canada has produced regular reports detailing the financial handiwork of this government, from education to asset-backed commercial paper, to the most recent findings regarding the Yukon Hospital Corporation. These reports have documented the financial mismanagement of the Yukon Party government.

In his budget speech, the Premier was criticizing the findings of the Auditor General. The Yukon government has its own audit service located in the Premier's department. Its last report to the public was December 2011, some 15 months ago. That report was actually a follow-up to a 2008 study. The last new report was August 2011, some 19 months ago.

In the past, this office produced regular reports. Why has it been 19 months since the public has seen anything from the internal auditor?

**Hon. Mr. Pasloski:** Some people may forgive the member opposite for being relatively new here in this House, as we all know that he hasn't been here for long, but certainly the member opposite does have a responsibility to the public to do research before making statements in this Assembly.

There is an internal audit service that the government has that comes forward with a program on an annual basis. The two major projects in the 2012-13 plan were an audit of staffing —

a report tabled and approved by the audit committee recently — and an audit of the efficiency and fairness of the government in meeting responsibilities under the *Environment Act*. This is a body that works collaboratively with the Auditor General to ensure that we're not providing duplication, that we get the best impact. It's a way for government to continue to review its processes to ensure we are delivering and performing functions as a department in the most efficient, most accurate and best way. We continue to move forward with programs highlighted in the 2013-14 plan — an audit of the Whitehorse Correctional Centre is an example. I'm not sure where the member opposite is getting his information, but perhaps he needs to do a little bit more homework.

**Mr. Silver:** I appreciate the few months that the Premier has on me — his vast experience differential.

These have never been tabled in the House. We know what the government thinks of the Auditor General of Canada. The Premier has made it very clear in his budget speech what he thinks of this office. There are also auditors in the Premier's own department. The auditor and the public haven't heard from these people in over a year and a half. Under the previous Yukon government, the internal auditor produced regular reports that seem to have come to a halt under this government. We haven't seen the reports he speaks of in this House at all. The audits provide recommendations on how to improve government spending and certainly are something that the government could use some help with. Previous audits include property management, extended health benefits, contracting regulations and many other topics. When will the next audit be released and what is the subject of that audit?

**Hon. Mr. Pasloski:** The audit committee is comprised of up to six deputy ministers. The Deputy Minister of Executive Council Office is the chair and the Deputy Minister of Finance is the vice-chair; they are permanent members of the committee. Then there is a rotation of four other deputy ministers. Currently, the at-large members represent the Public Service Commission, Education, Community Services and Energy, Mines and Resources. Audit reports are posted on the website 90 days after they are approved by the audit committee. The timing permits submission to review by Management Board before any public release and is required by the Yukon government's audit policy.

**Mr. Silver:** The bottom line is there hasn't been a single new audit released since this government was elected in the fall of 2011. In the past, the work of the internal auditor has looked at tourism marketing funds, Emergency Medical Services, Yukon's Lottery Commission and, more often than not, the audits uncover fiscal mismanagement, much like the report from the Auditor General of Canada. Perhaps this is why these reports have not been produced or documented or tabled here in the Legislative Assembly since this government came to office in 2011. In the past, the internal auditor has produced an audit plan that lays out the government's programs and what is going to be looked at.

Will the Premier table the most recent audit plan so that Yukoners can see what the internal auditor is looking at?

**Hon. Mr. Pasloski:** This government has had a record of not only delivering in terms of public accounts, but also enhancing. Under the previous governments of the Liberals and the NDP, the Public Accounts Committee was shut down. So when we talk about public accountability, openness and transparency, that is exactly what did not happen under the Liberals or under the NDP. They shut that committee down.

**Question re: Emergency information dissemination**

**Mr. Barr:** I received a call this morning from a Tagish resident about the snowfall warning that is in effect.

The constituent heard this information on Tagish's local radio station, CFET 106.7 FM. The concern raised by my constituent is that CFET is not available until 10:00 a.m. and, as there is no CBC coverage, if they had driven into town they would have received a nasty surprise. Getting public safety information to the communities about emergencies, road closures, power outages and extreme weather is a central expectation that citizens have of their government.

Will the minister tell this House and the public how this government intends to convey emergency information to Yukon communities in a timely and effective manner?

**Hon. Mr. Istchenko:** The member opposite is correct about CBC. We did have a Tagish resident and the representation of the Tagish Community Association — approximately 13 residents — contact the government with concerns about the elimination of the AM service by CBC, leaving only FM radio — and just for the member opposite's awareness, people can listen to CHON FM. Anyway, it is considered to be a potential safety issue by the resident. We heard that, and our ICT people have indicated and are investigating the issue and plan to discuss this with CBC.

**Mr. Barr:** I can't get CHON FM and I live out there — and there are other areas in the north that do depend — when they do receive — on knowing about emergencies. There are several commercial radio stations in the Yukon, and they provide good service. There is no doubt about that. However, one of the purposes of a public broadcaster like CBC is that it is directed to respond to the public interest, and therefore is an excellent vehicle for getting information out to listeners in all corners of the Yukon.

As we know, CBC has faced draconian cuts, and we have lost the AM service that reached all of Yukon. I raised this matter last spring and all the minister said was that the government is concerned and would raise this with the federal government. The Yukon has been without CBC AM that can be reached in all of the communities. Will this government convey directly and forthwith to Ottawa the cuts —

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

**Hon. Mr. Istchenko:** I received a few calls this morning from residents saying that they were happy the snowplows were out getting rid of this snowfall. CBC FM on Jubilee Mountain in the Tagish area would cost approximately \$15,000. The Yukon government infrastructure is facilitating the availability of CBC, CHON FM and CKRW, among other services, in many of the communities.

Spare and infrastructure supporting all community sites, including Jubilee Mountain, are important to this government. Some of the infrastructure is aging and we need to reinvest and continue to support the Yukon government's contribution to each of these services.

**Mr. Barr:** Mr. Speaker, since the government does not seem to have a real appetite for standing up for Yukoners in Ottawa, are they at least considering other options for service delivery? Has the Government of Yukon considered the possibility of piggy-backing off RCMP radio towers to ensure that Yukoners have access not only to our public broadcaster, CBC — which they pay for out of their tax dollars — but also to timely information about emergencies, road closures, power outages, school closures and extreme weather conditions?

**Hon. Mr. Pasloski:** I know that the residents in that area know that they simply need to call 511 on their radio to get updated current road conditions here in the Yukon. They can also check it on the website to get current conditions.

This House, led by motions presented by the Yukon Party government, unanimously passed two motions urging CBC and Canada to maintain AM service here in the territory.

These were two motions that came forward from this side of the House and were passed unanimously by everyone. I have, in fact, written letters to the CBC and also to the Government of Canada, to the affected ministers, urging them to ensure that CBC does live up to part of what their mandate is in providing that basic service to all Canadians.

**Question re: Mental health services funding**

**Ms. Stick:** In May 2012 volunteers and concerned citizens in Yukon reinstated the Yukon branch of the Canadian Mental Health Association. Currently there is an active board and dedicated members of this organization. Over the last year this group has worked hard and, in cooperation with other groups, they are hoping to provide or sponsor a peer support program. This is the community need they have identified. As with many organizations, funding is an issue.

I have looked through the budget and I do not see any amounts identified for this organization. Will the minister be providing any funding to the Yukon Canadian Mental Health Association in the 2013-14 budget?

**Hon. Mr. Graham:** At this time we haven't made a determination whether or not to provide additional funding to the Canadian Mental Health Association. The Mental Health Services branch of the Department of Health and Social Services provides a number of treatment services, including individual and group therapy, supportive counselling, case management and those types of things.

We appreciate what the Canadian Mental Health Association is attempting to do. We believe that it is in the best interests of residents in the territory, so we are looking carefully at the request for funding and we will respond in due course.

**Ms. Stick:** It has been nearly a year since this organization has come into being without funding. In 2012, we saw the launch of "Changing Directions, Changing Lives: the Mental Health Strategy for Canada". In fact, it was first showcased in the Yukon.

Looking at the statistics for mental health services in Yukon, we see quite a jump in the number receiving emergency assessments, from 682 in 2011-12 to an estimate of over 850 for 2013-14. Yet we are aware of long wait times for services in mental health and lack of psychiatric services.

Can the minister tell us if there is a mental health strategy to address these ongoing concerns and the long wait times?

**Hon. Mr. Graham:** If the member remembered correctly, during the last session this question was asked as well. We produced, at that time, a mental health framework. At the same time, we determined that that mental health framework would form the basis for an ongoing consultation with a number of NGOs and other departments within the government, which would eventually lead to a more comprehensive mental health strategy or direction for the territory.

We also significantly increased funding for a number of NGOs. We provide funding for Many Rivers Counselling and Support Services, which is a community counselling agency that provides services not only in the City of Whitehorse, but also to communities outside of Whitehorse on a regular basis.

We are making progress. We also have Family and Children's Services, which provide counselling and mental health support services through a number of contracted psychologists and counsellors.

**Ms. Stick:** That didn't really answer my question.

The communities are looking for community-based mental health supports. Though they appreciate the counsellors who come into their communities, they are looking for permanent people in their communities to provide mental health supports that are needed.

We've heard of individuals being admitted to hospitals from the communities with an acute mental health episode and then being discharged without a plan — not even a plan to return to their communities.

If members of the public in Whitehorse are experiencing long wait times and lack of services for mental health, how are these services going to be provided to the communities on a consistent and preventive basis?

**Hon. Mr. Graham:** I have already provided a number of instances where those services are provided. We have Many Rivers, and the Mental Health Services branch provides assessment, treatment, individual and group therapy not only within the city but outside of the city in the communities. We have a number of people working for us in the various communities who also assume the role, or assist in providing mental health services to these communities as well. I'm not sure exactly what the member opposite would like us to do — perhaps station a mental health expert in each of the communities — but that's simply not possible. We're attempting to work within the budget that we have to provide those services in as comprehensive and as reasonable a manner as we possibly can. We will continue to do that.

**Speaker:** The time for Question Period has now elapsed.

We will proceed with orders du jour.

## ORDERS OF THE DAY

### GOVERNMENT BILLS

#### **Bill No. 56: *Movable Soccer Goal Safety Act* — Second Reading**

**Deputy Clerk:** Second reading, Bill No. 56, standing in the name of the Hon. Mr. Kent.

**Hon. Mr. Kent:** I move that Bill No. 56, entitled *Movable Soccer Goal Safety Act*, be now read a second time.

**Speaker:** It has been moved by the Hon. Minister of Education that Bill No. 56, entitled *Movable Soccer Goal Safety Act*, be now read a second time.

**Hon. Mr. Kent:** Of course members will recall that with respect to this legislation, it is indeed on the floor of this House in response to the tragic death of a child in Watson Lake last summer.

Members of the Legislative Assembly unanimously agreed with Motion No. 238, tabled by the Member for Watson Lake which urged the "... government to examine legislative, regulatory, and policy options to ensure that movable sports nets at public facilities meet appropriate standards that protect the safety of Yukon children."

Shortly after that motion was debated and passed here on the floor of the Legislature, the chief coroner issued her report and recommended that the government introduce legislation regarding soccer goals in the Yukon that addresses safety standards, anchoring and safe storage practices.

Following up on Motion No. 238 and the recommendations made by the chief coroner, we have tabled in this House legislation as part of this government's commitment to promote and ensure the safe use of movable soccer goals at public recreational facilities in the Yukon. Earlier this year, we conducted a targeted consultation with user groups and other stakeholders about the proposal to enact legislation, and there was solid support for providing consistent, safe use standards and requirements for all users of removable soccer goals in Yukon, provided that these standards and requirements are carefully and sensibly implemented.

The proposed legislation will apply to the use of movable soccer goals at all public recreation facilities in Yukon and will enable the government to develop specific standards and requirements for the safe use of movable soccer goals by way of a regulation enacted under the act. Developing standards and requirements by way of a regulation will allow us to continue to work collaboratively with user groups and other stakeholders to develop safe use standards and requirements that it makes sense to have in place — standards and requirements that are consistent with the recommendations made by the chief coroner, and that also allow Yukoners to continue to enjoy soccer activities.

The proposed legislation ensures that all persons who make movable soccer goals available for use at public recreational facilities in the Yukon have the responsibility to ensure that those goals meet required standards and are installed and maintained in accordance with prescribed requirements. The proposed legislation also provides governments that operate

public recreation facilities with the tools they will need to be able to ensure that movable soccer goals used at those facilities meet all of the applicable standards and requirements and, of course, are used safely.

To sum up, this legislation ensures that we will address the recommendations arising from the chief coroner's report, as well as Motion No. 238, and ensures that safe-use standards and requirements for movable soccer goals are followed by both the users of movable soccer goals at public recreational facilities in Yukon and the public bodies that are responsible for operating those facilities.

The legislation will also allow us to work closely with user and stakeholder groups to develop the safe-use standards and requirements that will apply to movable soccer goals so that they can be implemented in a way that ensures safety and allows Yukoners to continue to enjoy this important recreational activity.

Of course, the official title of this bill is the *Movable Soccer Goal Safety Act*, but I think all members of this House — and indeed, all Yukoners — will refer to this bill as “Jaedyn’s Law”, which is, of course, in honour of the young Watson Lake girl who so tragically lost her life last summer as a result of being hit by a portable soccer net.

With that, I would welcome comments from the Official Opposition and the Third Party with respect to this bill.

**Mr. Tredger:** It is my honour to have the opportunity to speak to Bill No. 56, the *Movable Soccer Goal Safety Act*, and I thank the minister for bringing this forward.

The New Democratic Party Official Opposition will be supporting this bill. We regret all the circumstances that made this legislation necessary.

In this Assembly, we are all familiar with the grief of losing our loved ones. It is impossible to make comparisons, but as a father I would like to acknowledge my understanding that for a parent to lose a child, especially a young child, it is one of the most painful human experiences. My thoughts and prayers, as are those of all of us, are with Jaedyn’s family.

As a principal and a community member, the loss of a young student impacts the entire school body. My thoughts are with the school staff, other students and community members.

I’m inspired by the intent expressed in the preamble, and I quote, “Yukoners support taking action to minimize the risk of such a tragedy ever happening again.” I believe we all need to take this deeply to heart. It is important that we learn from unfortunate incidents such as this. In supporting the bill before us today, I will also speak to the broader issue of minimizing the risk of tragedies reoccurring. The bill before us today is a reaction to a tragic death. We have recommended legislation for other preventable tragedies in Yukon, and this government has criticized us for wanting to legislate everything. Today is not a day for finger pointing and accusations. It bears repeating: we are all saddened by the death of a young girl in Watson Lake, and the New Democratic Party Official Opposition will be supporting the bill before us today.

It is hard for me to not also be thinking of kids riding off-road vehicles. There are Yukon families still grieving their

young who died while using off-road vehicles. We recently debated the implementation of the recommendations of the Select Committee on the Safe Operation and Use of Off-road Vehicles, but we failed to set a timeline for moving forward on that.

It is very hard for me today to not also be thinking of the Rusk family and of Rod Corea’s recommendations that went so long ignored by this government. I speak to these difficult and sensitive matters today because I believe the best and I quote again from the preamble: “action to minimize the risk of such a tragedy ever happening again.” The best action to minimize risk is to develop a culture of safety reinforced with comprehensive and integrated policies and, where necessary, legislation.

I worked long in a school setting, both rural and urban — schools and school communities are learning from our workplace safety programs, from Workers’ Compensation and the difference that has been made in the lives of the workers in Yukon across Canada and, indeed, around the world by constant, pervasive and integral daily routines and culture of safety.

It has become part of a way of doing business. We need to ensure that our public institutions and our public places also subscribe to a similar culture of safety so that it becomes part of our doing business.

It’s important that all people working with children and in our public institutions work together. When I think of schools — the importance of property management; doing playground inspections; the importance of Workers’ Compensation; assessing the safety in classrooms in school buildings; the importance of having qualified and available inspectors to look at our buildings and our situations; the importance of having administration and staff conscious of potential hazards and a reporting system so that it can be passed along, and procedures in place to deal with it.

I think of a school situation, in a gymnasium in one of our local schools. I arrived early, at 7:00 in the morning, with the grade 7 basketball team to practise — the night before, through joint management agreements, it had been used by numerous community groups. Sometimes, when I arrive, all is not in order.

It’s important that we have procedures in place for teachers facing that situation and for students who come when there are 10 or 20 arriving to take part and the pressures that entails. I cite this as I ask for a culture of safety in all of our public places.

Today I am here in support of a piece of legislation written in reaction to a tragic death. Developing a culture of safety for all public places may help us to prevent future tragedies. There is one more piece of legislation I would like to speak about today, because it relates much to Bill No. 56.

Last spring, this Legislative Assembly passed Bill No. 38, *Act to Amend the Child Care Act*. The Official Opposition was not briefed on that legislation. After the bill passed, we learned from the front lines of childcare in the Yukon that childcare workers and parents are actually very concerned about the changes made to the *Child Care Act*.



The Yukon Childcare Association circulated a “Do you know” flyer because they are worried that people looking after children do not need to have an RCMP check or first aid training and are less likely to have training in childcare and development.

I raise this issue because we are moving into camping season again, and many of our NGOs and many of our educational institutions and many of our partners are building toward summer camps. Last week my colleague, the Member for Riverdale South, asked a question about this. We were disappointed in the minister’s answer. He seemed to think he had already said everything he needed to say during debate, but he did not speak to the concerns of childcare workers and parents who would rather the people working with their children have an RCMP check, first aid training and, ideally, some training in childcare and development. Building a culture of safety is about having consistent standards.

During the debate on the *Act to Amend the Child Care Act*, the minister responsible said he’d asked the department to focus its activities on increasing education awareness of child safety issues. The minister said a discussion paper, entitled “Options for Assessing Summer Camp and Children’s Day Program Safety,” would go out to NGOs and childcare providers. The minister indicated the department would be developing “best practices for running summer camps and day programs.” The minister even listed best practices: “Communicating with parents; food safety; sanitation; first aid; CPR certification; water and water safety; documentation reporting incident procedures; staff qualifications; training orientation; RCMP criminal records checks; informed consent; personal health information; emergency procedures; policies on discipline and harassment; reporting of suspected abuse; confidentiality; privacy, et cetera; motorized vehicles licensing and operations; liabilities and other types of insurance; specialized training for high risk activities,” and following relevant legislation and regulations such as environmental, health, motor vehicles and things like that.”

In honour of the bill before us today, and in acknowledging the importance of the coming camping season, in honour of the intention to minimize the risk of tragedies, I would like to support the departmental work that went into developing that list of best practices for working with kids. I would like to ask the minister responsible to share with Yukoners the discussion paper called “Options for Assessing Summer Camp and Children’s Day Program Safety.” It will be a great complement to the bill before us today.

In conclusion, we support the *Movable Soccer Goal Safety Act*. We would like it to be a foundation on which to build a culture of safety. There may well be other policies and best practices we can apply here in the Yukon to prevent further tragedies.

**Mr. Silver:** There is absolutely no reason to speak at length or to politicize this bill at all. My sincere sympathies go to the affected families and the community of Watson Lake. I will be 100-percent supporting this bill.

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

**Hon. Mr. Kent:** Again, I know we do have the opportunity in this House, on a number of occasions, to do the political thing, to have the political back and forth that often takes place on Wednesday afternoons. I know a number of the comments raised by the Member for Mayo-Tatchun will be dealt with by the Minister of Health and Social Services with respect to his responsibilities. I know there were some comments with respect to oil-fired appliances and the tragic death of the Rusk family. I know there is legislation before this House this spring with respect to that, so I’m going to leave the political aspects for another day.

Mr. Speaker, when this event occurred in July of last year, I was attending the national education ministers meetings in Halifax. I woke at what would have been three in the morning Yukon time to this tragic news. My deputy minister at the time delivered this tragic news to me. I would have to apologize to Yukoners because I wasn’t able to fully represent our interests at those meetings that day because my mind was with the family and with the people of Watson Lake and the MLA for Watson Lake, whom I was able to contact first thing in the morning on that day.

The difficulty I had on that day pales in comparison to the difficulty that the Amann family went through at that time, I’m sure, and continues to go through.

I thought of the family and the community of Watson Lake on Christmas morning. I thought of them again on Easter. I’ll think of the family as we approach the one-year anniversary of this tragic death. Again, my deepest sympathies go out to the Amann family. This law that will be respectfully known as “Jaedyn’s Law” will hope to prevent tragedies such as this from happening in the future.

I’d like to thank members for their comments, particularly the Member for Klondike for his brief comments and saying that he will be supporting this bill. Again, I don’t think this is an opportunity for us to play politics in the House. This is really in response to something that is a major tragedy that has occurred here in our community.

**Speaker:** Are you prepared for the question?

**Some Hon. Members:** Division.

#### Division

**Speaker:** Division has been called.

#### Bells

**Speaker:** Madam Deputy Clerk, please poll the House.

**Hon. Mr. Pasloski:** Agree.

**Hon. Mr. Cathers:** Agree.

**Hon. Ms. Taylor:** Agree.

**Hon. Mr. Graham:** Agree.

**Hon. Mr. Kent:** Agree.

**Hon. Mr. Nixon:** Agree.

**Ms. McLeod:** Agree.

**Hon. Mr. Istchenko:** Agree.



**Hon. Mr. Dixon:** Agree.

**Mr. Hassard:** Agree.

**Ms. Hanson:** Agree.

**Ms. Stick:** Agree.

**Ms. Moorcroft:** Agree.

**Ms. White:** Agree.

**Mr. Tredger:** Agree.

**Mr. Barr:** Agree.

**Mr. Silver:** Agree.

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

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

*Motion for second reading of Bill No. 56 agreed to*

### **Bill No. 52: Act to Amend the Housing Corporation Act — Second Reading**

**Deputy Clerk:** Second reading, Bill No. 52, standing in the name of the Hon. Mr. Kent.

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

**Hon. Mr. Kent:** It's my pleasure to introduce Bill No. 52, *Act to Amend the Housing Corporation Act*, for the Legislature's consideration. I know that a briefing was offered to members opposite at the same time that the Yukon Housing Corporation did their budget briefing, but I don't believe there were any questions asked with respect to this bill at that time. The briefing was offered by me and it was part of the budget talk. That being the case, we'll just move forward.

The bill has two purposes: to align Yukon Housing Corporation's governing legislation with its financial reporting practices, and to respond to a recommendation made by the office of the Auditor General of Canada after the 2011-12 audit regarding funding transfers from the Yukon government to the Yukon Housing Corporation.

Section 20 of the *Housing Corporation Act* outlines the conditions for advances in grants; however, if the Yukon Housing Corporation were to follow section 20 as it is written, the corporation would be required to amortize all assets and pay for all capital projects up front. Such financial practices would create cash flow issues that would constrict the Yukon Housing Corporation from delivering its programs and services.

The proposed amendments will change section 20, with a consequential change to section 13, to align Yukon Housing Corporation's governing legislation with current, practical and necessary financial reporting practices that have been in place since 2001 through a funding agreement with the Yukon government. This amendment to the *Housing Corporation Act* supports the Yukon government's commitment to practise good governance by aligning legislation and practice.

For these reasons, I'm pleased to present the proposed *Act to Amend the Housing Corporation Act* for the consideration of

the House. We anticipate making the amendments related to section 20 retroactive to March 31, 2012, in order to comply with the timeline agreed upon between the Yukon Housing Corporation and the Office of the Auditor General. After conclusion of second reading, we will be moving into Committee on this bill, so there will be an opportunity today for back-and-forth exchange with members of the Opposition.

**Ms. Hanson:** I just want to confirm that, in fact, there was no offer of a briefing for the Official Opposition and, as I understand, nor was there an offer to the member representing the Third Party or the Independent member.

However, I also understand from the minister's comments that this is a housekeeping amendment, and I will save my questions for Committee of the Whole debate.

**Mr. Silver:** I would reiterate it might have been mentioned during some kind of briefing on Education, but I don't remember hearing it. I would imagine if we were going to bring forth a bill in this House we would have a specific briefing for that specific bill. Once again, this is housekeeping, and I guess we'll move on to Committee of the Whole to get some questions out there.

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

**Hon. Mr. Kent:** It was my understanding that there would have been a briefing offered or opportunities for questions to be asked during the Housing Corporation's budget briefing but obviously that wasn't the case. I do apologize to members opposite for that not taking place. I believe that, for most of the other legislation, briefings have been conducted or perhaps will be scheduled at the discretion of our House Leader. With that, I look forward to getting into Committee of the Whole and answering specific questions from members opposite with respect to this housekeeping legislation.

*Motion for second reading of Bill No. 52 agreed to*

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

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

*Motion agreed to*

*Speaker leaves the Chair*

### **COMMITTEE OF THE WHOLE**

**Chair (Ms. McLeod):** Committee of the Whole will now come to order. The matter before the Committee is Bill No. 52, *Act to Amend the Housing Corporation Act*.

Do members wish to take a brief recess?

**All Hon. Members:** Agreed.

**Chair:** Committee will recess for 15 minutes.

*Recess*

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

**Bill No. 52: Act to Amend the Housing Corporation Act**

**Chair:** The matter before the Committee is Bill No. 52, *Act to Amend the Housing Corporation Act*. We're going to proceed with general debate.

**Hon. Mr. Kent:** Just prior to Committee of the Whole reconvening I did have an opportunity to speak with the Member for Klondike and he did indeed clarify that there was a briefing offered at the same time as the briefing on the budget for the Yukon Housing Corporation. There was a briefing offered by the House Leader with respect to this bill, but there were no questions asked at that point. I thank him for clarifying that for me. We're able to move on with Committee debate on Bill No. 52.

Again, as I mentioned in my second reading speech, the intent of this bill is first and foremost to align Yukon Housing Corporation's governing legislation with its financial reporting practices. Secondly, it is to respond to a recommendation made by the Office of the Auditor General of Canada after the 2011-12 audit regarding funding transfers from the Yukon government to the Yukon Housing Corporation. I'll reference that specific recommendation — the date on this is January 8, 2012. Recommendation: "management should consult with the Government of Yukon, clarify the funding arrangement between them effective in 2013, ensure the arrangement complies with section 20 of the *Housing Corporation Act*, and consider what accounting treatment(s) will be required to the new requirements under the new PS 3410."

Again, just following up on that, during that 2011-12 audit of the Housing Corporation financial statements, the Office of the Auditor General of Canada noted that those financial practices did not align with section 20 of its governing legislation, the *Housing Corporation Act*. Section 20 of the *Housing Corporation Act* is titled, "Advances and Grants to the Corporation," and details how funding transfers should take place from the Yukon government to the Yukon Housing Corporation.

If the Yukon Housing Corporation were to align its financial practices with section 20 as it is written, the Housing Corporation would be required to amortize its assets and pay for capital projects upfront. Such financial practices would create cash flow problems that would hinder the Housing Corporation from delivering its programs and services.

The proposed amendments will change section 20, with a consequential change to section 13, to align the Yukon Housing Corporation's governing legislation with its current, practical and necessary financial reporting practices that have been in place since a funding agreement was established between the Yukon government and the Yukon Housing Corporation in 2001.

For these reasons, I am pleased to present the proposed *Act to Amend the Housing Corporation Act* for consideration of the House. We hope to make the *Housing Corporation Act*

amendments related to advances and grants to the Yukon Housing Corporation retroactive to March 31, 2012, upon assent.

**Ms. Hanson:** When I read the explanatory note to the bill, just as the minister opposite has said, the provisions of this section 20 are not being followed and that they are inconsistent with long-standing practice.

When I read this, it's unclear to me — and I have a couple of questions here, but this first part of it is about the actual words of the amendment — when it says, "Paragraph 13(b) is replaced with the following:

"(b) the repayment of sums advanced or paid over to the corporation pursuant to section 20," — which the minister referenced there — "as that section read before April 1, 2012." It's kind of confusing for the layperson, the non-lawyer, to understand what that section read before April 1, 2012. I would just seek clarification on what that means and how I, as a Member of the Legislative Assembly, can follow that and understand the import of replacing section 13(b) with a new (b) that says "the repayment of sums advanced or paid over to the corporation pursuant to section 20, as that section read before April 1, 2012." It's curious wording and I'm just not sure what it means at all. I'm not just not sure; I do not understand what it means.

**Hon. Mr. Kent:** Thank you, Madam Chair. Thank you for your patience. I should take this opportunity as well to introduce the two officials from the Housing Corporation who are providing support to me today — Clea Roberts, as well as Luzelle Nagel, have joined me here today, so I thank them for coming.

Section 13(b) — replacing that with the following, is a consequential amendment and it really relates more to section 20.

The purpose of section 20 — that amendment will align the Housing Corporation's governing legislation to its financial reporting practices and will fulfill the commitment of Yukon Housing Corporation and Yukon government to comply with the OAG that I mentioned in my earlier address during second reading and the opening speech.

So paragraph 13(b), as the consequential piece — that amendment ensures that 13(b) now reflects the change to section 20 so as to eliminate a reference to a part of the statute that will no longer exist. It allows the government to ensure that it's able to meet its commitments — or the corporation is able to meet its commitments with respect to that.

As another non-lawyer, it's probably as clear as mud to both of us but, again, hopefully I was able to explain that. If not, I'm happy to give it another shot here after the next question.

**Ms. Hanson:** I think I understand the intent of the consequential amendment, but I guess that brings me then to what about — with respect to section 20 — that the note says — and as the minister spoke in his comments and previous speech that the provisions of section 20 — I think this is leading to where he's explaining this consequential amendment.

In effect, they weren't being followed. The provisions of section 20 before they're amended are inconsistent with long-standing practice. I think that's what I hear. When I read sec-

tion 20, as it's currently structured, it gives me the impression that the corporation says that they would get money, and they could get it from time to time, and it would be advanced for both operation and maintenance and capital funding. He made comments with respect to the amortization of the capital portion of that, but it makes reference to both O&M and capital in section 21, and it could be made up at the end of the year by a grant that's paid to the corporation at the end of that financial year that sort of makes up whatever deficit the corporation might have had, as based on their audited financial statements.

If my understanding of that is correct, or if it's not correct, I would look for the minister to describe the difficulties encountered by the section he's seeking to amend. Is it because monies were coming sort of intermittently through the year, and then the difficulty of reconciling those in a real way, and potentially having the corporation in a deficit situation, as opposed to being able to operate and manage its financial resources based on a voted allotment at the beginning of a fiscal year?

**Hon. Mr. Kent:** I thank the member opposite for the question. Again, with respect to what this bill is to do, the first purpose is to align the corporation's governing legislation with its financial reporting practices. So section 20 of the *Housing Corporation Act* outlines the conditions for advances in grants. However, if the Yukon Housing Corporation were to follow section 20 as it is currently written, the corporation would be required to amortize all the assets and pay for all of the capital projects up front and such financial practices would certainly create cash flow issues that would constrict the corporation from delivering its programs and services.

Again, this is just referring back to my second reading speech, but the proposed amendments are looking to change section 20 to align the corporation's governing legislation with current practical and necessary financial reporting processes that, as I mentioned earlier, have been in place since 2001 through a funding agreement with the Yukon government.

**Ms. Hanson:** I think it may take a couple of tries at this to make sure that we're getting it.

I just want to go back to the replacement. Where do I see that section as it read before April 1, 2012?

**Hon. Mr. Kent:** Is the member opposite referring to 13(b) or section 20?

**Ms. Hanson:** I'm referring to the replacement paragraph. It says, "The consequential amendment: Paragraph 13(b) is replaced with the following '(b) the repayment of sums advanced or paid over to the corporation pursuant to section 20, as that section read before April 1, 2012'".

My question is this: Where do I find what that section read before April 1, 2012? Could he just read it into the record? It's just mysterious to me as to what that section read before April 1, 2012, because I don't believe the legislation has the revised statute. It says 2002, so I'm just curious — I'm not just curious. In order to understand the import of this consequential amendment, we need to know what that section read before April 1, 2012.

**Hon. Mr. Kent:** The legislation previously read, "13(b), the repayment of sums advanced or paid over to the corporation pursuant to section 20;"

The piece that has been added, as you can see from the amendment, is as that section read before April 1, 2012. Again, as I think I mentioned before, allows us to meet any commitments that we have with respect to the Housing Corporation. That's why that last little bit after "section 20," has been added. So that's how the legislation previously read. It was the repayment of sums advanced or paid over to the corporation pursuant to section 20. The piece that has been added is after the comma, "as that section read before April 1, 2012;"

**Ms. Hanson:** So then I would just ask the minister to confirm or to read into the record what that section read before April 1, 2012. Before April 2012 may be interesting, but that's an important time frame, so what did it say?

**Hon. Mr. Kent:** Okay, here we go. Again, I thank the members for their patience with this. I guess the important part about that piece after the comma that refers to, "as that section read before April 1, 2012" goes to the other part of this with respect to the application, and that this act applies after March 31, 2012. So, the application of this statute is retroactive to this date to comply with the recommendation made by the Office of the Auditor General. I'll try again: "advanced or paid over to the corporation pursuant to section 20" so, again, that part that was added as that section read before April 1, 2012, ties in with the retroactive piece of this application that it applies to after March 31, 2012.

I'm going to try this one more time and I'm hoping it's the same answer as the one I just gave, so that will be the exciting piece.

With respect to that piece that has been added in 13(b) "...section 20, as that section read before April 1, 2012;" really applies to the retroactivity application of this, that this act applies after March 31, 2012. One of the recommendations of the Office of the Auditor General is that we move back to that retroactive date.

**Ms. Hanson:** I thank the minister for that. I think that clarifies — by taking it down to section 4, the "Application" and then connecting that to the consequential amendment to 13(b). That is helpful.

My next question for the minister: Could the minister explain how these amendments will lead to greater fiscal oversight of the corporation's spending? As he referenced the Auditor General's audit of 2011-12, there must have been some materiality behind that. I would be interested in his views as to how this will lead to greater fiscal oversight of the corporation's spending?

**Hon. Mr. Kent:** What this is designed to do is align the governing legislation with what we're currently doing, with what is considered practical and necessary financial reporting practices, and those have been in place since 2001, when I mentioned that funding agreement with the Yukon government. Again, this is really to align the governing legislation with what we're currently doing rather than making changes. It was at the recommendation of the Auditor General that we actually do that.

We are currently acting — the governing legislation isn't currently aligned with what the practical and necessary financial reporting practices are, and that's what we're doing with this amendment to the *Housing Corporation Act*.

**Ms. Hanson:** I thank the minister. So this will then mean that the problems that had been encountered in terms of having been required to amortize these sums in advance will not occur and we'll just be — doing what?

**Hon. Mr. Kent:** So again, this is really to bring the legislation up to date with what we're currently doing rather than — the practice we have been undertaking is with respect to current, practical and necessary reporting practices that have been in place. What we're looking to do with this is align the act with what we're currently doing so that we can respond to what the — we're looking to support our commitment to practise good governance by aligning legislation and practice. Hopefully that's probably the best way I can put it.

I thank my official for sending me that quick note on that.

**Ms. Hanson:** With that, I have no further questions for the minister.

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

**Mr. Silver:** I'm still a little bit confused as to how that gets rolled out — as opposed to waiting for the one lump sum previous practices.

A good analogy is that Yukon Housing Corporation has a mortgage system, and they have a great mortgage system, where you can ask for money on a Wednesday and you get it on the Friday, which compares to the banks, where you'd have to wait for a three-tiered lien — maybe I'm way off on this, but if you could just run this through how that is now going to roll out compared to the previous practices.

**Hon. Mr. Kent:** With respect to how these amendments will impact the current Yukon Housing Corporation clients or the general public — perhaps that's a way I can answer this — there won't be any effect on our current clients or the public because the amendments are to bring the legislation up to what we're currently doing within the Housing Corporation. It's not going to alter how the Housing Corporation operates. It's to align the legislation with what we're currently practising.

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

We will proceed line by line.

*On Clause 1*

*Clause 1 agreed to*

*On Clause 2*

*Clause 2 agreed to*

*On Clause 3*

*Clause 3 agreed to*

*On Clause 4*

*Clause 4 agreed to*

*On Title*

*Title agreed to*

**Hon. Mr. Kent:** I move that Bill No. 52, entitled *Act to Amend the Housing Corporation Act*, be reported without amendment.

**Chair:** Mr. Kent has moved that the Chair report Bill No. 52, entitled *Act to Amend the Housing Corporation Act*, without amendment.

*Motion agreed to*

**Chair:** Committee of the Whole will now consider Vote 12, Department of Finance, in Bill No. 10, *First Appropriation Act, 2013-14*.

Committee of the Whole will recess for 15 minutes.

*Recess*

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

### **Bill No. 10: *First Appropriation Act, 2013-14* — continued**

**Chair:** The matter before the Committee is Vote 12, Department of Finance, in Bill No. 10, *First Appropriation Act, 2013-14*.

#### **Department of Finance**

**Hon. Mr. Pasloski:** I'd like to take this opportunity to provide the Committee with a few introductory remarks on the Department of Finance's 2013-14 budget. As you are aware, Finance is a small department. It is comprised of 57.5 full-time equivalent positions. This is an increase of one position since last year. This additional position will be utilized in assisting with the financial accounting and reporting of this government.

The 2013-14 estimates for the department total \$8.118 million. Virtually all of this is for operation and maintenance; \$70,000 is allocated for capital expenditures. The O&M budget is spread among four program areas as follows: the largest program, and the program to which all department staff are assigned, is the treasury program at \$7.6 million.

Salary costs account for approximately 79 percent, or \$6.1 million, of the treasury budget. Banking services, supplies, telephone, travel, contracts, et cetera, at \$1.5 million, account for 18 percent of the program budget.

The public utilities income tax transfer in the amount of \$213,000 accounts for the remaining three percent of the program budget. The workers' compensation supplementary benefits program, in the amount of \$426,000, is legislated under an act of similar name. It provides supplements to benefits paid to workers who were insured by private insurers prior to the Yukon Workers' Compensation Health and Safety Board coming into existence. These supplements bring the benefits these workers receive up to the sums that would have been paid had they been covered by the board.

As stated, the capital budget for the Department of Finance is \$70,000 and is comprised of computer workstations for \$14,000 and office renovations for \$56,000.

Madam Chair, on the revenue side of the ledger, growth is once again occurring. We all recognize that Canada continues to make an important and significant investment in the Yukon.

The mechanism of the territorial funding agreement has, as members opposite can see, increased the grant from Canada from \$767.7 million to \$816.6 million. This \$49.4-million in-

crease is largely as a result of our increased population and an escalator in the grant formula that takes into account the change in provincial and local government expenditures.

Personal and corporate income taxes as well as other tax revenues, as evidenced by the projected revenues, are expected to remain strong. This is seen as a very good indicator of continued, strong economic conditions in the Yukon. These economic conditions benefit all Yukoners, making us the envy of the rest of Canada. It is something that we worked hard to achieve and something all Yukoners can, once again, be very proud of.

These are the highlights of the Department of Finance's budget. I'd like to take an opportunity to welcome the Deputy Minister of Finance here with me and I'd also like to take an opportunity to acknowledge and to thank all the employees within the Department of Finance for the excellent job that they do every day.

**Ms. Hanson:** I would hope that we can probably keep our discussions rather brief. I would like to thank the officials from the Department of Finance for the briefing provided to the Opposition parties and Independent member.

The Minister of Finance has just gone through, and I have a number of questions with respect to a couple of areas. I note that in four years, the amounts with respect to treasury have increased by approximately \$1 million. I would ask the Minister of Finance for further information as to what that \$1 million is comprised of as it has gone from 2010-11 actuals of \$6,636,000 to an estimate of \$7,622,000 which is, as I say, roughly \$1 million, so I would be interested in that.

There are some minor things.

The Yukon, as we've talked about before, doesn't operate in a bubble. Certainly, as the Minister of Finance has noted, the transfers from Canada with respect to the territorial formula financing arrangement — he referenced the indices that are used, including an increase in population and an escalator that is based on — I can never remember the actual phrase for it, but it has to do with PAGE or something — the provincial aggregated something or other. I'm sure the deputy will say those words to the Premier, and then I will not have to try to remember them.

The escalators that have to do with the actual what's going on in the provincial economies aggregated across this country — I guess my question for the Minister of Finance is that, as we look at both what's going on across this country with provincial economies very much contracting and significant financial woes besetting them, and as we look at what's going on with respect to the world markets — in particular, with respect to the sell-off that occurred this last week in gold — we know that our fortunes have been affected by the rise and fall of world mineral prices, and we saw some pretty dramatic action this week.

When the Premier's party, the Yukon Party, was elected in 2002, the price of gold was about \$400. We heard and we saw it go as high as around \$1,900.

Now it's down 15 percent from where it was a month ago, and roughly 21 percent from where it was about six months ago. Until this last while, the trajectory of commodity prices

since 2000 has been pretty astronomical. The interest in Yukon mining, and thus the impact and benefit to the Yukon economy, has been affected by these prices.

We look forward and think about how we're managing our resources, because we have talked in this Legislative Assembly, as the Minister of Finance has reflected, about Yukon's mining history and the boom-and-bust cycles we've all seen and lived through in this territory.

I'll be interested and would ask the Minister of Finance to reflect on what or how he sees the drop — and I use gold prices, because that's the most dramatic, but it's not the sole one; we've seen it across the board in commodities — and his analysis of the current state and future prospects for world commodity prices. When we look at the minerals that are found in the Yukon — I can name a couple with gold, silver, zinc and copper — how has he, as Minister of Finance, taken that into consideration, and how does he see it having an impact?

There is a global piece of that, which is affecting the markets and affecting the operations of economies across this country, which then in turn affects, as I understand it, this PAGE piece. It is one of the indices used to escalate the amount of money we get from Canada. If they do worse, do we get more or if they do better, do we get more? I would be interested in hearing about that from the Minister of Finance. Certainly it has impacts on us as a territory in terms of the economy. I will come back to further questions on this line. I will just leave it at that for now.

**Hon. Mr. Pasloski:** There were a few things, so I will just comment.

In terms of the appropriation, operation and maintenance — because the budget is almost all primarily as a result of programs and services we deliver, most of that money is in fact wages — is where it is. I think, as I described it in my little summary of the major program, almost 80 percent of it was wages, so the primary driver for the increases over time is meeting the agreements that we have made with the 79 percent through the contracts that we have or through management salaries. I think that that is in fact where most of that money is. There is a very small amount, \$70,000, on the capital side in terms of the Finance budget. Last year I think I actually did the percentage of what the Finance budget was as a percentage of the entire appropriation request in this budget and of course we know it's significantly insignificant in terms of the total dollars being requested as appropriated.

"PAGE" stands for population adjusted gross expenditure.

Certainly it's one of the factors: population and expenditures by local and provincial governments do help form the foundation of what we see in the funding grant that we get every year. Part of that grant is to ensure that the Yukon can deliver comparable service programs and services at a comparable level of taxation.

As reflected in our projections, I think you can clearly see that we have been conservative, looking on the revenue side of 2012-13 out through 2016-17, showing what our projections in terms of revenue increases are going forward. I think in this House on numerous occasions I have spoken to the fact that we have seen this coming; how the TFF works and how it's a roll-

ing average, so there is a bit of a delay going forward to see those reductions, but because of the conditions — I mean, we can talk all day as to how some of the provinces and territories got to be in the financial position that they are. In fact I note yesterday that the provincial budget for Manitoba has added yet another one percent to their provincial sales tax.

Sometimes while that looks like an easy fix, it can have some pronounced significant impact on growth and business opportunities down the road. Each province and territory has to look at where they are. The record we have speaks for itself in where this government was financially 10 years ago to where it is today. Not only have we continued to build on a strong financial record where we have surpluses but, as you would note, Madam Chair, looking forward through to 2016, even with declining revenues we continue to project a surplus and net financial resources, moving forward every year.

That speaks to strong financial management; it speaks to ensuring that there is discipline to live within our means; it means we continue to challenge departments to work diligently on projects they want to move forward and be able to have that opportunity to ensure that, for everything we do, we are getting the maximum benefit for the taxpayers' dollars we are using.

So to be clear, what I'm speaking about is that we're not seeing a decline in our revenues going forward, but the rate of increase will decline so we will see slower growth in our revenues in the outbound years.

There is a lot of uncertainty in the world right now. I think the member of the Official Opposition was asking about that. There are certainly things that can and do affect this territory that are outside of our concern. These are discussions that we have had in the past. There is a lot of edginess in some corners. China just reported a GDP increase of 7.7 percent — which most of the world would die for. However the analysts were looking for eight percent — so off by three-tenths — and it created uncertainty. We are living right now in a time — when you look at how the Bank of Canada has downgraded their forecasts for growth for 2013 — where growth in the United States has been lower than projected, and we know that Europe and the European Union are still in a recession.

We can look at the record that we've had. We can go back to 2009 where there was a major contraction in the economy, not only in Canada but across the world — contraction meaning not only zero but significant decrease contractions in their economies.

In that year, we had a 7.7-percent increase in our GDP. While we heard about it, we read about it and we saw it on TV, that did not happen here.

I think what is important is that we recognize what is in front of us and we do the best job we can. We have the flexibility to be able to make adjustments going forward because of the fact that we had that financial flexibility — because of the net financial resources we are in — to be able to capitalize on opportunities as they come forward, or to deal with situations that can arise. So there are things that are beyond our concern, but there are also things that have an impact right here in the territory and can impact us financially. I mentioned some of those in the past — some of the risks that we have, such as the

territory's health system sustainability initiative funding that expires at the end of this fiscal year. That is a risk if we don't come forward with another agreement with Canada to move forward with that health funding. There is lots of work being done not just here but pan-territorially in an attempt to have a strong business case for that funding.

Shakwak is another uncertainty that we have right now, Madam Chair. As you're aware, the funding for Shakwak has been taken out of the transportation bill. We still have two to three years of funding left, but we will be working with the federal government and with our neighbours to the west in Alaska and their federal counterparts as well to try to look at how we can move forward to be able to address this issue.

There was an agreement between the Government of the United States to bring this highway to a modern, two-way highway standard; we're not there yet. There have been a lot of challenges with the highway, particularly from about Destruction Bay right through to the border because of the permafrost in those areas. There has been a lot of innovative stuff done through the Department of Highways and Public Works in conjunction with numerous academic research universities looking at different ways to alleviate this problem. The reality is there is still a significant investment required for that highway, so this is another risk.

We need to continue to invest in the Yukon, but we need to also ensure that we're mindful that there are other risks that could come forward and we need to be in a financial position to deal with those things if and when they do happen.

When it comes to the stability here, the fact that we do have a full suite of not only base metals but precious metals: lead, zinc, copper, gold, silver, molybdenum, tungsten — for me, they are the seven that are of the most significance. It's the fact that we have this wealth, this diversity, in our metals portfolio that will help us moving forward.

We have had some years of intensive exploratory work and we're seeing the fruit of that work. We're optimistic we'll see projects like Victoria Gold going forward in the not-too-distant future, as they have now gone through the YESAB process and are about to apply for their quartz mining licence and water licence for the copper project in Carmacks. There are a number of interesting projects that are in the permitting phase right now and many more that are in the late-stage bankable feasibility studies that I know will help us ensure we continue to create opportunities for Yukoners to have gainful good employment and opportunities for training.

The Minister of Education has talked about the work we've done with the CNIM projects — Centre for Northern Innovation in Mining — and some of the work that the Minister of Economic Development has done and some of the people that he continues to talk to in terms of investing, but that's only one part. We need to continue to work to diversify where we are going and what we're doing.

Tourism is certainly one of those things that continue to grow year after year and develop, as we have said in this House, now reaching revenues of \$200 million annually. Thirty percent of Yukon businesses attribute some of their revenue to the tourism business. We will continue to focus on building and

fostering that business as well. When I go to meetings with my peers across the country to tell them we get direct flights from Germany in the summer they find that almost unbelievable, but in fact, of course, as we know, it's true. We need to continue to work on those markets, emerging markets as well, through the Minister of Tourism and Culture, through the Asian markets and other places down under such as Australia.

I think there is a lot of work that has been done. I want to acknowledge not only the work of the department, but how that department collaborates with the private sector to work together.

I think that that's why we continue to see that growth and development. Certainly this is a benefit of all areas of the Yukon because I think that there are tourism opportunities. In fact, in all areas certainly — you know, we hear the Member for Klondike talk about this and, truly, from the perspective of most people, the idea of the Klondike Gold Rush is certainly one of those key interesting points for people when they think of coming to the Yukon. We'll continue to work with our partners up there as well to see that we can foster that part of our tourism business as well.

So there are risks out there. There are a lot of things — I mean, the uncertainty with North Korea and South Korea right now creates uncertainty. It seems that when there is — you know, you look at the tragedy we had in Boston earlier this week — all of these things at a time when there is uncertainty all kind of give everybody more of a trigger finger, in terms of what they are going to do with their investments. There was some talk of Cyprus selling some of their gold stocks down, which also helped contribute to some of the decline in what we saw in the gold prices. Some of the other European countries then were looking at that as well. So there are things that can occur.

I know that there was some bounce-back, as well. We'll continue to monitor the situation. We're optimistic for where we will be for the future.

**Ms. Hanson:** When I asked the questions, I was really asking the questions to try to keep focused on the Department of Finance. When I asked the question with respect to an explanation with PAGE — and I thank the Minister of Finance for delineating what that acronym stands for — but I was asking the question about PAGE because of that escalator, as he referenced, being the factor that influences, along with population increase or decrease, the transfer from Canada to the Yukon — a significant portion of the transfers that we rely upon.

So the question I was asking — I wasn't asking the Minister of Finance to expound upon the merits or whatever of other provincial governments or territorial governments. It was to ask him — and I thought I was clear — if the financial circumstances provincially and locally — the community — as this PAGE indices is factored in; if the rest of the country is functioning — if the economy, as many people are concerned about, does go into a recession in this country. It is officially recognized, as opposed to the people outside of this territory. People only need to travel outside of this territory to realize

what's going on in the rest of the country. There is a deep and serious financial malaise in this country.

What I'm asking for is whether or not — do we need to be bracing ourselves for the financial circumstances of provincial and local governments elsewhere or does it work in the inverse way; that the worse it is for the rest of the country, the more we are cushioned? So are we cushioned or are we needing to brace ourselves to anticipate that what we project right now based on the past couple of years where there has been stimulus financing by the federal government to allow for essentially — as we know, when government does stimulus financing, it is because there is a situation that is causing the economy to function at a much lower level than it would normally. The stimulus was necessary to keep some parts of this economy alive and to keep some people working. But stimulus funding, as the Premier has acknowledged on all fronts, has either come to a stop or will be coming to a stop in the very near future. So I am just asking for an explanation and a better understanding of what the implications of what that aspect of the TFFA — the territorial formula financing arrangement — is with Canada.

I have other questions, of course, about the Department of Finance. This one is directly related to the Department of Finance and I just request that he provide — that's a technical kind of question. It's related to the Department of Finance; it's related to the federal transfer to the Yukon.

**Hon. Mr. Pasloski:** The comment about the financial malaise in the rest of the country, well, actually I will take as a compliment. In the last 10 years certainly, as we've seen what has transpired around us, we've been in a position to, as I've said, really watch from the outside to hear about it, read about it and see it on TV, but we really haven't been in that position at all.

To answer the question: What I have said in the past is that as expenditures decrease at the provincial or local levels it does have an impact on our funding, and that is correct. I think what we have done is put forward projections out — through 2016, 2017 — as to our revenue projections, what they will be.

What we will see is continued growth but at a much slower pace. I think that's answering the question. That's where we feel that our revenues are. We're not in a panic mode because we are in that enviable position to actually have money in the bank. If we take the money that we have — our investments — and we subtract all of our liabilities — and that includes money for environmental liabilities — we still have money left over. We're one of only two jurisdictions that are in that position. We're not spending money today on our children's futures tomorrow because we have the money to do that.

As I mentioned, the TFF is a rolling two-year average and that is why there has been a delay in terms of the reduction in the rate of increases for the TFF going forward. But this is not a new problem, Madam Chair. I think we're aware that it was in the fall of 2008 — I remember it very clearly — when the wheels started to fall off the economy. We've been dealing with this now for many years. You're right that some jurisdictions haven't dealt with it as well as others have, but we have withstood that.



I think another indication of the strength that we have is looking at the private sector investment that we have in the territory right now. Right here in this city, we just have to drive around and see the investment that we have by private companies. The only reason that they do that is the confidence that they have in the economy that we have here. If they thought that we were going to go back to the 1990s or the beginning of the last decade — 1997 to 2002 — as a business person in this community at that time, I can personally talk about how hard it was financially to be here.

If you look now where these businesses are, these companies with the continued investment and re-investment and new companies coming to town, it's because of the confidence they have in this economy. It's a confidence that they feel that things will move forward. It's a confidence because business is not guaranteed — there are no guarantees in business. When you open your shop, at least under this government, there are no guarantees. There is always a risk involved in opening a business and not all businesses are successful.

So I think that when you look at the investment that we have right now in the private sector, that really speaks volumes for the confidence that people have in how we are, where we are right — the political stability and the policies that this government has to ensure that we can continue to live that balance that all Yukoners want: to continue to enjoy and respect the environment and also encourage responsible development. This government believes that we can, in fact, have both. As Premier, after winning the election and looking at portfolios, it was a very strategic move and clearly a message about how this government thinks, which is by having the same minister be responsible for the ministries of the Environment and Economic Development.

I believe that through the policies that we have had, through the ability in the last 10 years for this government to have control of the management of the land and resources and the water, along with the certainty that was created with the final self-government agreements, we have been able to make significant gains, continued growth in population, continued growth in gross domestic product and, in most years, leading the country.

In 2011 — 6.5 percent growth, and I believe the Canadian average was 2.6 or 2.7 in 2011.

There are a lot of things that have happened. We don't have a crystal ball. We're not sure where the next curve will come in the road, but I'm proud to say that this government, because of the position it is in, is in a much better financial position to be able to react positively to it.

**Ms. Hanson:** I do think that a more productive use of our time would be to actually have the Minister of Finance read through the breakdown of each line item in this area and actually talk about the Finance department because you know what, Madam Chair, I'm sure that the readers of *Hansard* and those listening to this will probably have tired — as has this side — of hearing exactly the same speech over and over again. It's almost like I can push the button. The point of this debate, I thought, was the Department of Finance.

I did ask a couple of questions that were specific to the department. I would point out that the Minister of Finance does underestimate and overestimate certain areas when he generally speaks about the economy. He tends to overestimate the return and the level of expenditures in this territory — the return to this territory of the mining sector — and completely underestimates another sector. I totally agree with him that both are important, but the tourism sector for some reason seems to be totally underestimated by him. He repeated his refrain that the tourism industry in this territory is roughly \$200 million and contributes about 30 percent — a number of businesses that are affected by it — when in fact the Tourism Industry Association of Yukon estimates quite reasonably that \$300 million is contributed directly to this territory by the tourism industry and approximately 70 percent of businesses in this territory have a positive financial impact as a result of their engagement — being here and having a positive return to them as a result of the tourism industry.

That being said, Madam Chair, normally when we look at departments in the rest of the Government of Yukon, the areas for operation and maintenance will give us a breakdown that speaks to a number of components or functions of that. So we have a broad category of administration.

I would like the Minister of Finance to explain what is comprised of that administration function. This is a question for him as well: Where do we find the communications function for the Department of Finance? How much of that O&M budget is spent on communications?

The Minister of Finance made a comment that it has only grown \$1 million in four years. I can give you examples of federal Cabinet ministers who rue the day they said, "What's a million?" This budget of \$7.622 million may not be huge in terms of the overall expenditures of the territorial government, but \$7.622 million is a significant amount of money. I treat it seriously. I'm looking for serious responses.

I would appreciate if the minister could perhaps set a good example for the other departments so that we can move through this afternoon. We have an opportunity to conclude with a sharing of information about what the Department of Finance's expenditures are for and what has been achieved with those expenditures and move on.

**Hon. Mr. Pasloski:** You know, I think that in a strong economy and through collective agreements, if there are agreements where people get raises, I think that it's only good and honest that they get the raises. While the Leader of the NDP is finding it hard to look at those numbers, I mean through the period of four years we've talked about probably two FTE increases over that period of time — wages plus benefits as to what they work out to — but I think it's not hard to do the math. If the Leader of the Official Opposition wants to stand up and believe that employees shouldn't deserve a pay raise — if, in fact, there's an opportunity to share — then she can in fact stand up and do that.

This government believes that, unlike the NDP, we can have tourism and mining. We believe that; we say it; we continue to show it with a tremendous growth in the mining industry — mining and oil and gas are 23 percent of the GDP now,

and every year in the past 10 years, increased growth in tourism — in fact, leading this country.

So we've proven that you can have both and I know that that is just ideologically diabolically opposite for the NDP. They cannot fathom that you could actually have both of those, but in fact the record speaks for itself in that we continue to see the growth — tremendous growth in both of those. When you compare tourism to other parts of the country, I know that we have done an incredible job and I will take the opportunity to thank not only the people within the Department of Tourism and Culture, but the great relationship that they have with industry and how well they work together collaboratively to continue to see that we grow that sector.

I was asked about communications for the Department of Finance and I can tell you that the total amount invested or spent, appropriated, for communications within the Department of Finance is zero. She wanted details — this is the administrative expenses: travel out of territory — \$7,325; repairs and maintenance — \$8,280; supplies — \$32,228; postage and freight — \$1,363; program materials — \$7,000; software licences — \$2,500; non-consumable assets — \$32,000; memberships — \$1,000; other, \$3,000 — I'm not sure; I'd have to ask the deputy for what that is — totalling under \$850,000. That's a subtotal. When you add the salaries — admin salaries, \$715,000 — for a total of just over \$845,000. I think I answered the question.

**Ms. Hanson:** Would the Minister of Finance then explain to us the breakdown for financial operations and revenue services?

**Hon. Mr. Pasloski:** Travel in the territory, \$6,500; travel out of the territory — \$12,700; professional — \$10,000; supplies — \$10,336; postage and freight, \$343; advertising — \$1,200; program materials — \$6,700; training — \$10,500; memberships — \$8,000; printing — \$13,000; other, \$2,000 — subtotal — \$81,279; salaries — \$3,462,084. Total — \$3,543,363.

**Ms. Hanson:** I notice that the fiscal relations allocation has been relatively dormant or static — I guess “static” would be the more appropriate phrase. Could the minister explain what that function represents and why it doesn't reflect — is this a negotiate

ion function on the territorial formula financing? Just an explanation of that amount, as well, please.

**Hon. Mr. Pasloski:** There is one position that is filled within that role, and it's really about fiscal relationships we have with Canada. As we have evolved through the years and where we are right now with the TFF, it has really become quite straightforward, and that's why there isn't a significant requirement to invest any money in there. Quite honestly, if we don't need to spend the money, we won't spend it.

**Ms. Hanson:** I bet the Minister of Finance can guess the next one I'd like to have. I'd like to know what the Management Board Secretariat amount is allocated at and what it's comprised of.

**Hon. Mr. Pasloski:** Out-of-territory travel — \$23,475; a professional — \$33,117; supplies — \$13,720; postage and freight — \$294; advertising — \$2,250; training,

\$5,000; memberships — \$4,000; printing — \$40,200; other — \$860; subtotal — \$122,916; salaries — \$1,881,804. Total — \$2,004,720.

**Ms. Hanson:** Madam Chair, the number says \$1,790,000 so I'm not quite sure if we're talking the same apples and oranges here. Perhaps he could just clarify that.

**Hon. Mr. Pasloski:** I agree; that's in fact what it says — \$1,790,000. We'll get back with the correct numbers then.

**Ms. Hanson:** That would be appreciated. Banking services as well — I'd be interested in an explanation.

Banking services have increased by approximately \$200,000. Could he just explain why?

**Hon. Mr. Pasloski:** The government has a banking contract with Toronto-Dominion Bank for a period from February 1, 2010, to January 31, 2015. The government compensates TD Bank for general banking services as well as community banking services provided by the bank in 10 communities. In 2012-13, the government budgeted an O&M expenditure of \$1,015,000 for banking services. This included the TD Bank contract as well as the cost of banking services provided by other banks and financial institutions to the Yukon government. I can tell you where the banking costs have been. In 2008-09, they went from \$733,000; 2009-10 — \$790,000; 2010-11 — \$804,000; 2011-12 — \$820,000; and estimated for 2012-13, as mentioned, is just over \$1 million. This is really primarily due to increased to deliver community banking services: the payment card industry data security standards assessment and implementation work and increased merchant discount fees charged by credit card companies to the Yukon government when we receive payment from the public by credit cards.

As you know, Madam Chair, more and more people like to pull out their plastic and pay with a VISA, MasterCard or American Express and, as a result of that, that is why we're looking at an increase of just over \$1 million. Then also for the record — because I read the wrong column — Management Board Secretariat — I will now read that and then I don't have to provide the information later. Travel out of territory — \$860; supplies — \$7,840; advertising — \$2,250; training — \$5,000; memberships — \$4,000; printing — \$40,200; other — \$860; total of \$61,010; salaries of \$1,728,676, for a total of \$1,789,686.

**Ms. Hanson:** I'm glad to see that we're contributing to the corporate profits of the TD Bank. I'd be interested in knowing the length of term of the contract with the TD. Perhaps the minister could respond with that, as well as just finalize the last part here: we have not seen any change in the public utilities income transfer. Then that would bring the O&M section to a close.

**Hon. Mr. Pasloski:** I'm going to have to ask the member opposite to repeat the part on the bank. On the second part of her question, the federal government used to fund provinces and territories 95 percent of the income tax they collected from private utility companies. This program was terminated by the federal government, effective April 1, 1995, in the 1995-96 federal budget. Provinces and territories were free to do what they wished with this money, but the idea behind the refund was to permit the province or territory to, in turn, refund

the money to private utilities to reduce power rates and thereby put their customers on the same basis as tax-exempt public utilities whose customers do not have corporate income tax built into their electrical rates.

The Yukon government also refunded territorial income tax received and continues to refund a portion, despite the termination of the federal portion of the program, to the tune of \$213,000 annually.

**Ms. Hanson:** To clarify for the minister opposite: the question was about the length of term of the contract with the Toronto-Dominion Bank.

**Hon. Mr. Pasloski:** In fact, I did answer that at the beginning of the last question. It is a contract with the Toronto-Dominion Bank for the period of February 1, 2010 to January 31, 2015.

**Mr. Silver:** I am just going to suggest that we go — I think we just went line by line.

I thank the member opposite and I would also like to thank the officials from the department and suggest that we move line by line.

**Chair:** Is there any other member who wishes to speak in general debate on Vote 12?

We're going to move line by line on Vote 12, starting on page 11-6.

**On Treasury**

**On Operation and Maintenance Expenditures**

*On Administration*

*Administration in the amount of \$846,000 agreed to*

*On Financial Operations and Revenue Services*

*Financial Operations and Revenue Services in the amount of \$3,543,000 agreed to*

*On Fiscal Relations*

*Fiscal Relations in the amount of \$215,000 agreed to*

*On Management Board Secretariat*

*Management Board Secretariat in the amount of \$1,790,000 agreed to*

*On Banking Services*

*Banking Services in the amount of \$1,015,000 agreed to*

*On Public Utilities Income Tax Transfer*

*Public Utilities Income Tax Transfer in the amount of \$213,000 agreed to*

**Treasury Operation and Maintenance Expenditures in the amount of \$7,622,000 agreed to**

**On Capital Expenditures**

*On Information Technology Equipment and Systems*

*Information Technology Equipment and Systems in the amount of \$14,000 agreed to*

*On Building Maintenance, Renovations and Space*

**Ms. Hanson:** I would just ask for clarification of this. It has gone from zero to at least \$56,000. Could we just have a clarification?

**Hon. Mr. Pasloski:** Just in my opening comments, I did mention there was \$70,000 on the capital side — \$14,000 is for computer workstations, \$56,000 is for office renovations. That's just not something that occurs on an annual basis. That is the estimated cost for some minor renovations to occur upstairs in the Department of Finance.

*Building Maintenance, Renovations and Space in the amount of \$56,000 agreed to*

*On Prior Years' Projects*

*Prior Years' Projects in the amount of nil cleared*

**Treasury Capital Expenditures in the amount of \$70,000 agreed to**

**Treasury Total Expenditures in the amount of \$7,692,000 agreed to**

**On Workers' Compensation Supplementary Benefits**

**On Operation and Maintenance Expenditures**

*On Supplementary Pensions*

**Ms. Hanson:** Just a clarification — is there a statutory index for this supplementary pension?

**Hon. Mr. Pasloski:** The amount put in is based on actual costs, as described by workers' compensation. There isn't an escalator to it — what is determined will be the exact cost. Again, this provides a supplement to benefits paid to workers who were insured by private insurers prior to the Workers' Compensation Health and Safety Board coming into existence here in the Yukon. What this does is ensure that these workers are compensated to the same level as they would be if they had been covered by the Workers' Compensation Health and Safety Board.

**Ms. Hanson:** Just to be clear, does this then mean that the — because I noticed that from 2010-11, it was 388, then 396, and then 426. Is this the amount that is paid after the fact? I'm just unclear as to how the amount is established. Is it paid at the end of a fiscal retroactively, or is it paid at the beginning?

**Hon. Mr. Pasloski:** What happens is that basically we're paying Workers' Compensation back. They're providing the benefit, and we're paying the difference. We're paying WCB back the difference between what was covered by the private insurer and what it would take to get them up to the same level of compensation.

Yes, over time there will be people who will no longer be eligible or may be deceased, but there are also escalating costs for the provision of the service as well. It's not a direct payment to workers in lieu; it is actually — the money is given back to Workers' Compensation based on the projections they have for those additional costs.

**Ms. Hanson:** Sorry to belabour this point, Madam Chair. I'm just trying to understand — it's the same level of compensation as — ? If the minister would fill in the blank, that would be helpful.

**Hon. Mr. Pasloski:** The supplements bring the benefits these workers receive up to the sums that would be paid had they been covered by the board.

*Supplementary Pensions in the amount of \$426,000 agreed to*

**Workers' Compensation Supplementary Benefits Operation and Maintenance Expenditures in the amount of \$426,000 agreed to**

**Workers' Compensation Supplementary Benefits Total Expenditures in the amount of \$426,000 agreed to**

*On Revenues*

**Chair:** Are there any questions regarding revenues on page 11-9, or any questions about this page?

**Ms. Hanson:** With respect to the taxation revenue — personal income tax, could the Minister of Finance provide this House with — this represents an amount of \$71 million. I believe what the Minister of Finance and other ministers in this Legislative Assembly have recognized and commented on is the fact that some portion — and I wouldn't ascribe it as significant — but some portion of income generated in this territory as a result of the fly-in, fly-out nature of the mining sector is generated here but not captured in our income tax system.

When we see factors — like the Minister of Finance has variously said — that there is a contribution of the territory of \$650 million as a result of mining or \$450 million some days. I'm just curious as to what portion of income generated as a result of the resource extraction sector in this territory, in particular, is not captured due to the nature of 21st century mining activities in the Yukon.

We acknowledge that mining has changed and that people fly in and fly out — but at \$71 million, if we're able to attract — some of the mining executives we have talked to have suggested that we could increase the proportion of people who actually live here so that they would not have to pay significant sums of money to fly their workers in and out.

Some mining companies have suggested that they'd like to see more of their employees living in the territory and have made some pretty strong suggestions to both the government and to the Official Opposition about the importance of that, recognizing that we're not looking at ever recreating a town like Faro, but the importance of having that contribution and the ripple effect of a local workforce that puts down roots here.

We see some mines with, we hope, lives that will go beyond the 10 or 15 years. We see and hope that the predictions will be correct of up to 20 years. That gives people the certainty to be able to build a home if there are lots available in places like Mayo, in the rural areas around Pelly, in Watson Lake, and for sure Ross River, to contribute to the local economy, to see local businesses being able to thrive. As we all know, when you have that increase in population living here, and not taking their high incomes — which is one of the factors of a generally ascribed to a resource extraction industry — out of the territory — it would be nice to be able to see a significant portion of that income tax being paid here since we are providing them the services, the roads, the health care services and the other ancillary services that people come to enjoy.

What I'm asking the Minister of Finance is this: When I hear him use the amount of \$650 million being generated through the resource extraction industry, what portion of that is ascribed to personal income that could be taxed? What portion of that is income to workers and what percentage does this \$71 million represent of that total income that is generated by people working in the mining sector?

**Hon. Mr. Pasloski:** In terms of personal income taxes, we don't keep track of whether they work at a retail store, a chain store or in the mining industry.

Quite honestly, it would be impossible to do that because a grocery sells groceries to a mining camp and also to people who live down the street. As an example, I'll use the people I know who own the grocery store in Dawson and do a lot of

business for camps, but they also are the grocery store that everybody buys from. So what portion of the income tax for the staff there go toward mining and how much wouldn't? I mean, it would be impossible to know that. It would also be impossible for other provinces to determine what percentage of the taxes they collect are from people who are flying in or are in fact working in a different jurisdiction such as the Yukon.

What I would like to say is that over 50 percent of the people who are directly working in the three producing mines here do, in fact, live in the Yukon. I would also like to point out that the mining industry is the largest employer of Yukon First Nation people as well. I guess I should also point out that those people who are flying in and out are not as much of a burden for us in terms of delivery of programs in schools, in terms of the fact that their kids aren't going into our schools. They're not using services we provide because of the fact that they don't live here.

Having said that, do I think it's important for more of these people to live here? Absolutely.

In fact, this government has been working with the producing mines, with the mine producing association, the Minister of Energy, Mines and Resources, Minister of Economic Development, and in a supportive role, in terms of education with what we're doing with training. We have been engaged with the mining industry to find ways to get more of these mining personnel — the people who work in these mines — to live here. You're right that, not only will they be paying their taxes to Yukon, but they're also increasing our skilled labour force. That's very positive. A lot of these skills are transferable not only to mines, but to working for municipalities or other industries.

We have been doing that. In fact, a brochure has been produced in collaboration with the three producing mines and the government, which has been sent to employees of the mines who don't live in the Yukon right now. There is a contract out through Economic Development to look at what some of the barriers are that exist right now that would stop some people who do work in Yukon mines from living elsewhere. What are the barriers to getting them to move here?

We're very supportive and working along with the mines to find ways to ensure we can have these people look at Yukon being their home.

In fact, I now have one of those brochures in my hand. It talks not only about lifestyle; it talks about health services; it talks about education, and it talks about the Yukon financial advantage. So this is exactly what we're talking about. It's exactly what we have been doing in working together with the mining industry, because we too believe that these skilled workers build our strength in the long term for the territory. They will provide income for us, and we continue to grow and develop. That is part of the challenges we have, and we feel that working together with the mining industry we will be able to get more people to be convinced that this should be the place they call home.

We recognize in mining today that there are people who live in different parts of the world. In fact, they will live in one country and work in another one. So there will be some people

who are perhaps in a stage in their lives where they live — that they already have grandchildren around them, and they're not prepared to make that move.

But I am confident that there are a number of people — when looking at the opportunities and looking at the Yukon advantage — will seriously consider moving here and being a part of the Yukon experience.

*Revenues cleared*

*On Government Transfers*

**Ms. Hanson:** I just have a question with respect to a note that we have listed here regarding tax initiatives, the research and development tax credit and the Yukon child benefit. It is my understanding that the Department of Finance looks at tax initiatives that are used in other Canadian jurisdictions. These are tax initiatives and there are some criteria. Government does not sort of just pop out and say that they are going to do this — government has criteria to determine whether such initiatives would be efficient or economical to deliver in the Yukon. I am wondering if it would be possible to get a copy of the criteria used by the department to make such a determination and recommendation to the Minister of Finance.

**Hon. Mr. Pasloski:** I think that this government has one thing at its foundation has been part of the formula for the success of the 10 years that this Yukon Party has been in government — there have been no tax increases.

I think that is one of the reasons — unlike some of the provinces that feel that if they increase their taxes they will create more revenue — but a lot of times it will have a negative effect because it will reduce investment; it will create fear; it will contract their economy which could result in negligible increases in their revenues.

To answer her question: There is no such template as there is no template in business. Organizations such as governments and businesses have to be fluid and be able to look at opportunities and react to situations because that's how you're successful. There is not a template that says, "In this situation, we'll do this. If we get to this level, we're going to do that." There certainly is nothing that exists like that.

But in terms of tax changes, if we look, for example, from the 2001 tax year to 2011, these are the changes that have occurred to the Yukon income tax regime.

In terms of changes to non-refundable credits, the basic personal amount — the amount that one can earn before tax is incurred — has increased from \$7,412 to \$10,527. That basic exemption has gone up — the age amount credit for being 65 or older has increased from a maximum of \$3,619 to \$6,537. Income at which credit is eliminated rose from \$51,068 to \$76,541. The maximum spousal amount and eligible dependant amounts were each raised from \$6,923 to \$10,527. We added a credit for children of \$2,131. The amount of infirm dependant maximum increased from \$3,500 to \$4,282. The CPP contributions maximum increased from \$1,496 to \$2,217. We added an employment amount credit against wage income of \$1,065. We added a public transit credit, a credit for purchasing transit passes, for the entire cost of the pass. We added a children's fitness credit of up to \$500 per child, \$1,000 if the child is

disabled. We added the children's art credit for up to \$500, and again, \$1,000 if the child is disabled.

We added a credit for adoption expenses up to \$11,128. The pension amount doubled from \$1,000 to \$2,000. The caregiver credit maximum increased from \$3,500 to \$4,282. Disability amount for self increased from a maximum of \$9,500 to \$11,623.

In terms of changes to other areas of the *Income Tax Act*, there's a removal of the universal childcare benefit — a \$100 per month federal payment related to young children — from the determination of income subject to the clawback when calculated for low-income family tax credit; modernize the Yukon dividend tax credit to prevent unintended bracket creep; raise Yukon child benefit payments from \$37.50 a month to \$57.50 a month; change the income clawback threshold from \$30,000 to \$25,000; lower the small business corporate tax rate from six percent to four percent; and raise the threshold to the maximum income level of \$500,000 from \$250,000.

So I guess what I'm saying with this is that, as you can see, we continue to not only provide no tax increases, but are looking at ways to continue to keep more money in people's pockets, because we believe that if people have money in their pockets, a lot of times they'll spend it, which will grow the economy even more — more money in their pockets to make that purchase to buy that new vehicle or whatever it is that they choose and they need, because of the fact that they have more options available to them, because of the fact that we're allowing them to keep more of their money.

There is no template and no model that will describe in what situation what will apply. That is something that really is the responsibility of the government and the policies to which they adhere, so this government believes in fostering a strong private sector economy and we have not put in place tax increases, but have held taxes in place for a decade — and in fact increased the number of tax credits that are available to working Yukoners.

**Ms. Hanson:** It's interesting — the word I used was "criteria". When I asked about the criteria, I heard a plethora, a long litany of a number of credits and all that kind of stuff. So clearly if the Minister of Finance is telling me he has no criteria that he can tell me, that this list of tax credits and other initiatives — how has he assessed or determined that they are efficient and economic in delivering these programs in the Yukon?

If they are ad hoc, that's fine, I will accept that.

What I would like to ask the Minister of Finance is what I see reflected in page 11-10 — transfers to the tax system are listed too, but he has listed many, many tax credits. Where would I see these tax credits, because they are effectively forms of transfer? Where are they listed in the budget of this Yukon government?

**Hon. Mr. Pasloski:** In terms of the criteria, from the comment from the Leader of the Official Opposition, it is really quite simple. Our criteria are to continue to put more money in the pockets of Yukoners. That is our criteria. All of these credits are actually listed in the *Income Tax Act*. All credits are listed there; refundable tax credits are in fact the ones that are

included in the budget, because they do have an impact on the bottom line.

If the leader wants to know what the list is, she merely has to go back to the actual act, and she can find the full list there.

*Government Transfers cleared*

*On Changes in Tangible Capital Assets and Amortization*

*Changes in Tangible Capital Assets and Amortization cleared*

**Department of Finance agreed to**

**Chair:** Committee of the Whole is now going to consider Vote 7, Department of Economic Development.

Committee of the Whole will recess for 15 minutes. Thank you.

*Recess*

**Chair:** Order. Committee of the Whole will now come to order. We're going to begin general debate on Vote 7, Department of Economic Development.

#### **Department of Economic Development**

**Hon. Mr. Dixon:** Thank you very much, Madam Chair. It's a pleasure for me to rise today and speak to the 2013-14 budget for the Department of Economic Development. To start off, I'll of course introduce the officials we have with us today: first of all, Terry Hayden, our acting Deputy Minister of Economic Development; and Steve Rose is the director of policy. We have with us as well, listening in, Lisa Badenhorst, whose position I can't recall, but her expertise is around trade. She is our lead for a lot of the trade negotiations that are going on currently both with Canada through the AIT and of course with the CETA negotiations that are ongoing with Canada. Over the last year or so, I know she has been doing a fair amount of travelling as a result of that because of these ongoing negotiations with Europe.

It's a pleasure for me to speak to this budget in particular because there is a lot of fairly exciting initiatives that are being undertaken this year. I'll be happy to get into some of the details on those through the course of this debate. To start, I'll give just a little bit of an overview of the economy in general and a little bit about the specifics of our budget and then perhaps we can get into some debate with the members opposite about the budget itself and some of the initiatives that we have undertaken throughout this year and what we have planned for the year to come.

In a general sense with regard to the economy, Yukon's economic position remains very strong. Real GDP growth in 2012 is expected to be in the range of two to three percent, marking nine consecutive years of growth. Early expectations for 2013 are for Yukon's real GDP to grow for a tenth consecutive year. Current estimates have mineral exploration expenditures in 2012 at about \$150 million, the third highest level on record, benefiting primarily from higher production from the Wolverine mine. The value of Yukon's mineral production grew for the seventh consecutive year in 2012 and is estimated at about \$510 million, up from an estimated \$367 million in

2011. The value of mineral production is anticipated to post further gains in 2013 stemming primarily from expectation of higher production levels from the Wolverine mine.

Based on border crossing data from 2012, annual tourist visitation exceeded 321,000, which is 3.7 percent higher than the 309,863 recorded in 2011. Retail sales grew for the third consecutive year in 2012 totalling almost \$674 million, which is up by about 1.8 percent from the \$662.2 million in 2011.

To increase the benefits Yukoners, businesses, First Nations and communities receive, Yukon's labour market remains strong in 2012, with employment averaging 18,900 and a labour force averaging 20,400, which was also a new record. The Yukon's average population in 2012 was estimated at 36,000, marking the ninth consecutive year of population growth. Expectations for 2013 are for further gains, with the population expected to grow to an average of approximately 36,500.

The Department of Economic Development's Business and Economic Research branch continues to monitor, analyze and report on Yukon's economic position.

The Government of Yukon is continuing to implement the vision outlined in the *Pathways to Prosperity: an Economic Growth Perspective, 2005-2025* through the Department of Economic Development. This department is a valued partner in the building of a sustainable and diversified economy, focusing on prosperity for all Yukoners while remaining cognizant of social and environmental needs. The department's mission is to assist our partners, the private sector, First Nation governments and development corporations, industry associations, non-government organizations, other Yukon government departments, and other levels of government in building a prosperous Yukon economy by creating and fostering responsible development opportunities.

In order to achieve the vision laid out in *Pathways to Prosperity*, Economic Development's strategic goals are to enable strategic and responsible economic projects, increase the benefits that Yukoners, businesses, First Nations and communities receive from economic projects and activities, and enhance the competitiveness of Yukon's business environment.

The department recognizes that wealth-generating industries are the pillars of a thriving Yukon economy. We will support the growth of traditional economic drivers of mining and tourism, while facilitating the development of a diversified, knowledge-based economy.

To enable strategic and responsible economic projects, we are focused on facilitating the development of mining and other resource development projects, tourism-related projects, research, innovation and commercialization, and opportunities for filmmakers and sound recording artists.

We are supporting the growth of Yukon's small- and medium-size enterprises, increasing Yukon's share of benefits generated from proposed large industry developments, supporting First Nation economic development and creating and enhancing economic and community opportunities.

To enhance the competitiveness of Yukon's business environment, we are supporting the development of strategic infrastructure required for economic development, marketing Yukon as a place to live, work and invest, advancing Yukon's

economic development interests through intergovernmental forums, developing policies and strategies to guide the Government of Yukon's economic development activities and supporting capacity and workforce development.

Now with regard specifically to the budget that's before us today, within the operation and maintenance and capital parts of the budget, to support the ongoing work of the Department of Economic Development we are introducing an operation and maintenance budget of \$14.609 million and a capital budget of \$1.091 million for 2013-14.

Within the Business and Industry Development branch specifically — that branch supports the growth, development, expansion and creation of Yukon businesses, providing the business community with a range of programs and financial supports. The Business Industry and Development branch works with companies and industry-related organizations to undertake strategic projects that enhance the development and growth of Yukon's industry sectors. The Business Industry and Development branch's funds and programs include the enterprise trade fund.

The enterprise trade fund has a focus on small- and medium-size businesses. This fund is designed to stimulate and support market growth, business development and export revenues. Through this fund, eligible Yukon businesses involved in export-related operations may receive assistance to conduct activities that open new markets, develop and expand existing markets and implement projects that develop business activities without creating unfair competition within the local Yukon market. The enterprise trade fund is available to all Yukon businesses as well as business-related organizations and industry associations.

The program supports marketing and export projects that enhance the ability of Yukon's businesses to increase their production and generate sales of Yukon products here and abroad. Most importantly, all of the projects funded by the enterprise trade fund require a meaningful investment by the companies and organizations, essentially doubling the investment in promoting Yukon products, services and opportunities. The department continues its ongoing partnerships with industry stakeholder groups to help Yukon businesses develop and maintain a competitive advantage in external markets.

Stakeholders such as the Yukon Chamber of Commerce help us to raise the profile of Yukon businesses and the services and products they can offer to both inside and outside the Yukon. The Department of Economic Development is supporting the growth of Yukon business activity in 2013-14 by allocating \$360,000 to the enterprise trade fund. Another fund we have within the Department of Economic Development is the strategic industries development fund. It's well-known that Yukon's key economic drivers include the natural resources and tourism sectors. These industries initiate strategic projects that generate wealth, act as catalysts for development and generate secondary business opportunities. These projects support the government's stated goal to strengthen and diversify Yukon's economy.

The strategic industries development fund provides assistance to identify and assess emerging opportunities, including

the preparation of scoping studies, feasibility studies and business planning. The Department of Economic Development's strategic industries development fund will continue to provide significant support to these sectors with \$800,000 allocated in this year's O&M budget.

Also within the Department of Economic Development is the business incentive program. The department continues its support of the business community through the business incentive program with a budget allotment of more than \$1 million. This program offers rebates to businesses that hire Yukoners, use Yukon-manufactured goods, and hire apprentices and Yukon youth to work on eligible Yukon government projects.

The Department of Economic Development also hosts the micro-loan program. We are continuing to support the Dana Naye Ventures microloan program that provides modest but meaningful support to entrepreneurs with innovative business ideas. There are no other programs in Yukon that provide this type of support to small businesses. It is an innovative approach that encourages and supports Yukon entrepreneurs who are launching new businesses.

Over the course of the last decade, a total of 134 loans valued at approximately \$395,780 have been dispersed. The department makes contributions to various business-related organizations to support small- and medium-sized business export, expansion and marketing initiatives.

Within the field of investment attraction marketing, we have a number of things planned. Of course, we've been very active in attracting investment to the territory over the course of my time as minister and previous to that, as well, and have plans to continue with that this year.

Recent support of out-bound missions in Canada, the U.S., Europe and Asia, in partnership with industry, has stimulated interest and investment in Yukon companies through the capital markets. We've allotted \$744,000 in this budget, which represents a variety of activities, including marketing, promoting and facilitating events and conferences, websites and consulting services in order to raise awareness of Yukon's investment opportunities and support initiatives that facilitate foreign direct investment.

Attracting external investment is crucial to Yukon's economic growth and diversification. Investments enable Yukon businesses to expand operations, pursue new opportunities and explore potential. The department's investment attraction strategy continues to guide the development of a diversified private sector economy, while focusing on key areas of opportunity. The department has worked diligently to develop Yukon's reputation internationally and has continued to spread the message that Yukon has a wealth of opportunities across a variety of sectors. Yukon is strategically located and has resources that appeal to the global markets.

Our mineral deposits of copper, lead, zinc, tungsten, and, of course, the precious metals of silver and gold, are some of the largest in the world here in the territory. The continuance of our work in relationship-building through travel to Asia, hosting in-bound investors in Yukon and attending trade shows has led to significant investments by global companies in Yukon-



based projects. This relationship-building has taken place over time, and we have seen many positive results.

The department continually works toward attracting investors to the Yukon. These efforts have assisted in facilitating over \$700 million of investment in Yukon companies to date. The Department of Economic Development plays a key role in investment attraction by facilitating introductions to potential investors and fostering the development of business relationships.

One key area that I have certainly focused on, and we've had a number of discussions about in this House already, is the research, innovation and commercialization sector. A prime example of how we are striving to diversify Yukon's economy is our work with key partners and stakeholders to support the Yukon Cold Climate Innovation Centre as part of the Yukon Research Centre.

The geographic realities of Yukon and our climate make new innovative solutions both necessary and possible in the Yukon. The Yukon Cold Climate Innovation Centre is a partnership between applied researchers, industry and government dedicated to developing, commercializing and exporting sustainable cold climate technologies. It is housed at Yukon College.

The commercialization of cold climate and related technologies will provide important economic opportunities for Yukoners and contributes to the diversification of our economy. An excellent example of past success in cold climate technology is the quad-pane window design, developed through collaboration between the Yukon Cold Climate Innovation Centre and the RAB Energy Group Inc., also known locally as "Northern".

These windows are now in production in Yukon and are used in many energy-efficient residential and commercial applications. The local manufacturing of these windows has helped reduce delivery time and, more importantly, ongoing energy costs. As well, I would add that the factory located here in Whitehorse does provide a number of local jobs and training opportunities for Yukon workers and contributes to our sometimes little-recognized manufacturing sector in Whitehorse and in the Yukon.

The Government of Yukon continues to support research, innovation and commercialization, thus helping to increase the economic diversity of Yukon and encourage growth in Yukon's manufacturing and knowledge-based sectors. The Department of Economic Development is contributing over \$2.3 million in funding to the Yukon Cold Climate Innovation Centre for operational support and project leveraging over the next four years. That commitment to that extended financial contribution to that body came in conjunction with the Minister of Education's commitment to funding through the Department of Education to the Yukon Research Centre. Those two programs work together and of course are co-located at Yukon College and have been providing some very exciting opportunities for Yukoners.

The department is also providing core funding to the Yukon Technology Innovation Centre in the amount of \$235,000 per year. Again, that centre is co-located with the

Cold Climate Innovation Centre and the Yukon Research Centre up at Yukon College. The centre is open to a variety of potential projects specifically in the following areas: cold climate, as previously mentioned; permafrost effects on transportation corridors; building construction; renewable energy; climate change; and those that address geotechnical challenges.

While I can't comment on a few of the projects, I would encourage members to keep an eye on the news release feed coming up. I know we have a release coming with CanNor on some of the very exciting programs and projects that are coming out of this particular centre in the days to come. We're never sure exactly about the timing of some of these releases because as soon as you introduce the federal department, timelines kind of go out the window a little bit when it comes to when we are able to actually put those releases out. But there are some tremendous and exciting projects that have been developed through both the YCCIC and the Yukon Technology Innovation Centre that I will be in a position to announce, hopefully very soon. I'm sure we will discuss them in this House once we get to that.

The next item I wanted to discuss is the creation of a new directorate within our department: the Technology and Telecommunications Development Directorate. I believe you're indicating to me, Madam Chair, that I don't have the time to get into it in this particular speech, but I will get to that in my next chance to speak. I'll explain a little bit about that new directorate and some of the plans we have in the information and communications technology sector, which of course is a key priority for me personally and for this government. I'll get into some of the more regional aspects of our department, including the Regional Economic Development branch, which I'll describe at my next chance.

With that, recognizing my time is elapsed, I'll take a seat.

**Ms. Hanson:** I thank the minister opposite for his remarks and welcome the officials here to the Legislative Assembly, and I also recognize the support and the work that they do on behalf of all Yukoners — the support they provide to their minister and the work they do on behalf of all Yukon citizens.

The mandate of the Department of Economic Development, as the minister has been outlining for us, plays an integral part in a number of facets of the territory's economy — sort of a lynchpin in some ways, I would suggest, in terms of linking the initiatives of many departments across the spectrum.

He has outlined initiatives he has responsibility for that touch on the activities and the mandates of everybody from the Department of Education, Consumer and Corporate Affairs, Energy, Mines and Resources and Highways and Public Works, just to name a few. We do recognize the importance of a Department of Economic Development because, essentially, what we need is to have that ability to be the lubricant in the system for the economy to ensure that we develop an economy that works for all Yukoners.

The NDP has been a strong proponent of a diversified economy and, during the course of our discussions with the minister on his mandate as the minister responsible for Eco-

conomic Development, we will be wanting to discuss with him a number of elements that form that. We will look forward to a discussion on each of the areas of his mandate, and he has outlined some of them. My approach is probably not to do a broad-brush overview of all the sectors of the department.

Just as an aside, I do thank the officials for their briefing, which gave us that 30,000-foot view of the operations of the department. This budget debate offers us an opportunity to bring it down to ground and ask a few more questions that will hopefully allow us to have a better sense of the Minister of Economic Development's current focus and activities and also how he — as I said, this minister responsible for this integral department is taking the long-term view strategically for our economy.

We are mindful, of course, of the minister's mandate letter, and we will come back to that during the course of our discussions with the minister as well, because I think it's important to confirm understanding of what the intent of some of these articulated elements of that mandate letter are.

Due to — up until very recently, we could say — the high commodity prices, the Yukon economy has experienced rapid growth in all industrial sectors and I think we welcome that. I know we welcome that as Yukoners. The challenge for any government with an eye on the future is really to take advantage of this current growth and plan for the future and that's part of the discussion that is so important as we focus on this department.

While our current growth is spurred on by increased activity primarily in the resource extraction sector, we do believe that we've got to prepare for the inevitable downturn in world metal prices, because we've lived through it. Everybody in this room, I imagine, who has been here for more than a few years has lived through it. We're looking for that vision and we certainly have some ideas and we'd like to discuss them with the minister.

Rather than a big speech about economic development in general, I'd like to begin by asking the minister some questions. I'll start off with one general question and then perhaps we can go that way.

Just as I said, we deal with an economy in this territory where since we were founded in the gold rush era, our fortunes have been affected not necessarily by the brilliance of whatever political party — or non-party at times, because it's only for a brief time that we've had political parties, so we can't ascribe to partisan politics the rise and fall of the fortunes of this territory over the last 100 and some years — but it really has been driven by the rise and fall of mineral prices.

This week's sell-off of gold has led some analysts to comment that what we are seeing is an unprecedented move. It has really shaken a large number of significant investors to the core of their confidence. If we think about it, when this government was elected the price of gold was about \$400 an ounce. I can remember when it was way less than that. It went up and we saw the buoyancy, and we saw people beginning to show an interest in exploration in this territory, going into that massive boom that we saw in the 2008-09 exploration years when prices reached \$1,000 and got almost to \$2,000. People

were saying that it was going to go forever; it's going to keep going.

It has gone down. Today, I think it has gone down to about \$1,400 or \$1,425. Until this week, that trajectory was pretty astronomical. The reality is that interest in mining and exploration in the Yukon Territory is influenced by many things. Partly, it is influenced by the stability that we as governments — First Nation governments and the Yukon government — have created through the settlement of land claims and the resulting regulatory regime that emanated from that. Partly, it emanates from the fact that when there is value to the commodity, people will go after it — and they have, in great numbers. For that, we should be thankful.

I refer to the minister's economic outlook in 2012, in which he said: "Driving much of the recent exploration activity has been strong growth in gold prices", which have doubled, he said, "since 2007". And he is right. It has gone from approximately \$500 to \$1,000. It is estimated that exploration activities related to gold accounted for almost 70 percent of all mineral expenditures in 2011. With the expectation that gold prices will remain high for the foreseeable future, gold exploration will likely account for a significant portion of Yukon's exploration activities going forward.

"With three producing mines and a number of other projects advancing towards development decisions, the future of Yukon's mining sector looks promising. Currently there are six projects that have gone through permitting or in the process of obtaining the appropriate permits. There are also 10 projects that are doing advanced exploration or are completing feasibility-related work." So, again, that's from the 2012 economic outlook.

So as an upward 10-year trend in gold prices has mirrored the upward trend in mineral production and exploration trend in the Yukon, I'm just wondering if the minister has had cause to revise his economic outlook. Does he expect the drop in prices to impact Yukon's economy, impact employment and impact decisions to develop particular mines? I've heard from people involved in the mining sector that money is hard to get. It's not unique to the Yukon. Attracting money for both advanced exploration and moving into development is extremely tight.

So I raise this question, just to simply ask whether or not these economic factors outside of the control of this minister or any minister have given cause to make any adjustments or revisions to the economic outlook for the government.

**Hon. Mr. Dixon:** There are a few questions in that series from the member opposite and I'll try to touch on each of them. In a general sense, she's curious about the impact in the last two days due to the decline of the price of gold and the potential that will have on both our economy and I believe specifically on the economic outlook that we produce in the Department of Economic Development.

With regard to the outlook, regardless of what is going on in the world economy and the changes in prices of any number of commodities, we update our economic outlook in May. That's when the economists in the Business and Economic Research branch do a review of it and go through and try to input the most recent data available to determine whether or not the

economic outlook is indeed accurate to the best degree possible. That is when we will review the economic outlook.

With regard to the comments on the impact of specific gold exploration: there's no doubt lower gold prices will have an impact on the exploration industry.

I'm still hopeful there will be interest in Yukon as an exploration destination because of the fact that, despite having lower gold prices, we still have exceptional resources. There are really some tremendous deposits in the territory, some tremendous resources that have been discovered already. One thing I think a lot of people in the exploration industry recognize about Yukon is there is a lot more to be discovered because Yukon is so under-explored. There's a lot of ground yet to be looked at or explored.

While lower gold prices make it challenging for gold exploration companies and gold mining companies, we're still anticipating a fairly robust exploration season. I would be hesitant to say it will be as high as it has been in the past year or two, because in 2011 we had what was a boom in exploration. There was over \$300 million in exploration that year. I would be very hesitant to suggest that it would be that high again this year because of the fact that doesn't seem to be the direction it's going.

What I do want to talk about a little bit more — and I will come back to the issue of gold and the resource economy in a moment, but I did want to finish discussing a little bit about the details of the ongoing operations of the Department of Economic Development. I think it is actually somewhat relevant to what the member opposite asked because I think her question in a general direction is saying we need to diversify and what are we doing to diversify. My notes around what we're doing in the rest of the department will speak to that a little bit and then I'll circle back and continue to discuss some of the specific questions she had around gold and its impact and the very recent decline in the price of gold on our economy and our projections of the economy.

To that end — as the Member for Riverdale South knows because she was at the Yukon Chamber of Commerce lunch at which I announced the creation of the new Technology and Telecommunications Development Directorate — that is a priority for me. I've indicated that the information, communication and technology sector of our economy has a tremendous opportunity for growth and a tremendous opportunity to further strengthen and diversify our economy. It's one that isn't in any way based on the cycles that we see in the resource industry. It's not based on commodity prices. It's based on intelligence, ingenuity and innovation. Those are all things that are — I guess for a lack of a better word — renewable resources, most certainly.

To support the development of strategic infrastructure required for economic development in Yukon, the Department of Economic Development is creating a new Technology and Telecommunications Development Directorate. Demands on Yukon's telecommunications infrastructure base are set to increase because of the development of the natural resources sector, growing interest in infrastructure developments from com-

panies considering development in Yukon and growth in the overall research, innovation and commercialization sector.

Improvements are necessary to all economic infrastructure areas, including energy, transportation, telecommunications and municipal infrastructure. Improved telecommunications infrastructure enables social and industrial capacity and lays the foundation for economic growth. An example of Government of Yukon's recognition of the importance of infrastructure is the recent establishment of the Technology and Telecommunications Development Directorate. Housed within the Department of Economic Development, the directorate will bring together and focus government's activities related to the information communications technologies sector and the telecommunications environment. The Technology and Telecommunications Development Directorate is a two-year pilot project with a mandate to focus on improving Yukon's telecommunications environment and supporting our ICT sector.

Specific areas the directorate will deal with include raising awareness and strengthening the ability of existing NGOs to help develop and support Yukon's ICT sector. For example, \$50,000 in annual core funding to the Yukon Information Technology Industry Society was committed to. The directorate will also fully participate in the CRTC review of Northwestel, which is a topic I'm sure we'll also come to in this discussion. We will look to implement a redundant fibre optic link with the south — that's the capital "S" south that we always refer to up here — by undertaking a bankable feasibility study on an alternate fibre optic link to Juneau through Skagway, Alaska.

The directorate will also work with Northwestel regarding service-level provision for Internet and cell service. I will, I'm sure, come back to that directorate as we return to that issue later on in debate.

I will move on now to the Regional Economic Development branch. With Yukon First Nations setting their economic priorities and playing the lead role in their economic futures, the Department of Economic Development works to support them from early planning stages through to implementation.

Through the department's Regional Economic Development branch, our activities include assistance in building capable institutions of governance and capacity development, assisting with the development of strategic direction, including strategic planning and economic development planning, assisting with the development of policies that support economic development, opportunity identification and project selection, assisting with the development of high-level feasibility studies and implementation of these plans and various strategies.

Examples of the work of the Regional Economic Development branch includes the following: The branch worked with the town of Faro in partnership with Community Services and Energy, Mines and Resources to provide funding to review and amalgamate the municipality's official community plan and integrated community and sustainability plan. This will enable the municipality and its residents to take advantage of the many opportunities during the current mining activity in that region.

With Chief Isaac Inc., we've provided funding to build on the initial First Nation trust symposium.

The symposium brought First Nation representatives together with investment firms, legal advisors and Yukon First Nation trustees to share models, approaches and best practices. We have worked with a local NGO, the Council of Northern Economic Developers, by providing them funding to conduct their project, with which they, in partnership with the University of Waterloo, CanNor and of course the Regional Economic Development branch, hosted the second year of the Economic Developers Association of Canada's certification program. The certification program is recognized across Canada and builds Yukon's economic development capacity for both Yukon First Nations and Yukoners.

Within that branch, they administer a specific fund, called the regional economic development fund. In our efforts to assist Yukon communities and First Nations to fully benefit from economic activity in their regions, we are allocating \$405,000 to the regional economic development fund and its administration. This fund provides financial support to foster regional and community economic development. The fund was established in recognition of the need for effective coordination of planning and economic development efforts by all parties with regional economic interests.

Funding activities have included support for economic development planning, capacity development, opportunity, identification, and associated research, needs assessments and training plans. The strength in this funding program lies in the fact that it supports a variety of stakeholders, including First Nations and municipalities.

One key fund — and I know it is one that is very popular in Yukon and certainly very well-subscribed — is the community development fund. Another avenue in which the department supports a variety of stakeholders is through this fund, which is a program that is widely known throughout our communities. The primary goal of the community development fund is to support projects that provide long-term well-being and bring social or economic benefits to Yukon communities. This fund's projects continue to create employment, generate local spending, develop usable skills, and enhance Yukon's physical, social and recreational infrastructure. We have allocated \$3.3 million to the community development fund and its administration. The community development fund contributes substantially to the health of rural Yukon communities by giving community members an opportunity to network, share and participate in strengthening their neighbourhoods and organizations.

This fund fosters cooperation, partnerships and collaboration among groups and emphasizes the importance of recreation and training for Yukon people. Of course, it's divided into three tiers with the first tier going from \$0 to \$20,000. An example of a fund under that first tier is the Teslin Tlingit Council which recently received \$20,000. Funding was provided to research and plan an exhibition using an interactive relief map of the Teslin Tlingit Council's traditional territory showing the Teslin Tlingit journey from an independent traditional First Nation through the years under the *Indian Act* and then on to the final agreement and self-government.

I would like to get into more of the projects under tier 2 and tier 3, as well as discuss the Film and Sound Commission and a number of other initiatives under the Department of Economic Development, but Madam Chair, seeing the time, I move that we report progress.

**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'll 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. 52, entitled *Act to Amend the Housing Corporation Act*, and directed me to report it without amendment.

The Committee has also considered Bill No. 10, entitled *First Appropriation Act, 2013-14*, and directed me to report progress.

**Speaker:** You have heard the report from the Chair of the 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. on Monday.

*The House adjourned at 5:27 p.m.*

#### **The following document was filed April 18, 2013:**

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Supplementary Instructions for Yukon Education Employees, 'Making Public Statements': Draft – January 17, 2013 (Hanson)