

Yukon Legislative Assembly
Whitehorse, Yukon
Tuesday, December 10, 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 International Human Rights Day

Hon. Mr. Nixon: I rise today in recognition of Human Rights Day. It was December 10, 1948 that the *Universal Declaration of Human Rights* was adopted, and since that day we've celebrated Human Rights Day worldwide every December 10. Human Rights Day is an opportunity to celebrate human rights, raise global awareness of human rights issues and advocate for the full enjoyment of all human rights by everyone.

This year is also the 20th anniversary of the creation of the United Nations Office of the High Commissioner for Human Rights. The Office of the High Commissioner responds to crises, supports human rights defenders and brings human rights closer to people. Through advocacy, monitoring and training activities it contributes to legislative and policy reforms to increase accountability for human rights violations and advance human rights.

This year in particular we celebrate the achievements of the past 20 years. Women's rights are now acknowledged as fundamental human rights. Discrimination and acts of violence against women are at the forefront of the human rights discourse. There is global consensus that serious violations of human rights must not go unpunished. The International Criminal Court brings perpetrators of war crimes and crimes against humanity to justice. There has been a paradigm shift in the recognition of the human rights of people with disabilities — especially and crucially their right to effective participation in all spheres of life on an equal basis with others.

The Human Rights Council, set up in 2006, has addressed vital and sensitive issues. Its universal, periodic review — established in the same year — has allowed countries to assess each other's human rights records and make recommendations and provide assistance for improvement. Canada made its second report to the Universal Periodic Review this year and is now working on its response to the recommendations that flowed from that review. Country states and the United Nations recognize the pivotal role of civil society in the advancement of human rights. Civil society has been at the forefront of human rights promotion and protection, pinpointing problems and proposing innovative solutions, pushing for new standards, contributing to public policies,

giving voice to the powerless, building worldwide awareness about rights and freedoms and helping to build sustainable change on the ground.

Consultation with civil society is built into every human rights report that Canada submits to the UN. Yukon participates in such consultation during the annual meeting of the Continuing Committee of Officials on Human Rights, which is the FPT body coordinating human rights reporting.

Yukon is actively engaged in the development and the implementation of internal human rights conventions by providing information to the Canadian government on legislation, policy and program changes. Over the next few months, we will be reporting on changes that support the Convention on the Elimination of All Forms of Discrimination against Women. This report is due at the United Nations in December 2014.

The Yukon government provides over \$500,000 in annual funding to the Yukon Human Rights Commission, which promotes human rights and works for the resolution of discrimination complaints. They also provide training and education resources to schools, community groups, employers, service providers and the public.

Today the world celebrates the life and accomplishments of Mr. Mandela. Mr. Mandela represents the personification of the power of transformation. Mr. Mandela transformed his nation by overcoming the system of apartheid, but perhaps his greatest accomplishment was his personal transformation.

As a young man, his opposition included the use of violence. When he was eventually freed after decades in prison, he had the opportunity to return to armed resistance but he committed to peace, forgiveness and reconciliation, which is a tremendous testament to the man's character given the decades of imprisonment.

The world will remember Mr. Mandela as a powerful, forceful figure for peace, but if we only look at him from afar as a figure completely removed from our lives, we miss his legacy. His legacy is the power of personal transformation.

On behalf of the Yukon government caucus, I would like to express my gratitude to all Yukoners who work to continue to promote human rights in the territory each and every day.

Ms. White: Today is the 65th anniversary of the *Universal Declaration of Human Rights* and the 20th anniversary of the creation of the United Nations High Commissioner for the promotion and protection of all human rights.

I rise on behalf of the Official Opposition and the Third Party to speak for every person's human right to dignity, safety, food, adequate shelter, good health and education. I speak in support of the full and equal participation of women in political, civil, economic, social and cultural life at the national, regional and international levels.

I speak in support of the eradication of all forms of discrimination on grounds of sex, the rights of all peoples to citizenship and self-government, the rights of indigenous peoples and all communities to economic, social and cultural well-being.

The 1993 Vienna Declaration and Programme of Action developed at the World Conference on Human Rights welcomed the progress made in dismantling apartheid and called upon the international community and the United Nations system to assist in this process. The declaration brought light to the violence in South Africa and deplored the continuing acts of violence aimed at undermining the quest for a peaceful dismantling of apartheid.

Today in Johannesburg, South Africa, the world watches as a nation celebrates the life and work of Nelson Mandela, who inspired from behind bars the human rights victories of the African National Congress to overthrow the racist oppression of apartheid.

After his release from prison — on April 27, 1994, Nelson Mandela was elected the country's first black president. This was also the first year that black South Africans were allowed to vote. This was also the year of the first fully representative democratic election in South Africa.

It is ironic to note that the system of racial segregation set up in South Africa in 1948 was modelled on the rules and regulations used by Canada under the *Indian Act*.

This year in Johannesburg, South Africa, parliamentarians from 54 member nations met at the Commonwealth Parliamentary Conference. Meetings there recognize the values and aspirations contained in the Commonwealth Charter. Canadian delegates spoke about the Commonwealth Charter as a living document, meaning that we, as legislators of Commonwealth member nations would communicate, respect and live by those agreed-upon human rights values.

Today, in recognition of Human Rights Day, we acknowledge that the Yukon Human Rights Commission chose to mark this important day by recently hosting a screening of the powerful film: *We Were Children*.

Lisa Meeches, the co-producer of *We Were Children*, had this to say about her film, "We told the story for the survivors, we told the story for folks who are intergenerationally impacted and we told the story for Canadians who also have been lied to ..." "It's a crime of knowledge that we [Aboriginal people] don't know what happened to us. If Canadians knew what was making us sick, I think they would all cheer for our speedy recovery, because Canadians have a lot of compassion."

It is a crime that we as Canadians do not know our own history. It is only by opening up this dark chapter of our past that we can begin the journey that the Truth and Reconciliation Commission has been leading us on for the past five years; a journey that must include healing and an acknowledgement of past wrongs.

It is hard for many of us to believe that Canada, a country described by John Ralston Saul as "... a people of aboriginal inspiration ... of peace, fairness and good government ..." would deliberately, over 130 years, incarcerate more than 100,000 of Canada's First Nation children in government-funded schools run by various Christian faiths.

It may surprise many to know that the last residential school closed its doors in 1996. These schools were part of a

wider program of assimilation designed to integrate the native population into "Canadian society." These schools were established for the express purpose to "kill the Indian in the child."

Residential schools are one of those realities that no one wants to talk about. It's a shameful part of Canada's history that many would prefer to ignore or just put to rest. The truth hurts. It's a painful, dark, tragic story. Many atrocities and cases of abuse occurred, leaving thousands of residential school survivors with wounds so deep that, even today, those wounds are fresh. Because this was a story that went untold and was kept away from the light, the effects of the abuse have created an intergenerational legacy.

As Joanne Henry, Executive Director of CAIRS, described it at the film screening, "When you remove a child from their family; when you prohibit contact among siblings; when you destroy the trust and the faith of the child; and when you isolate the child from the bonds of a family, you create generations that have no ability or capacity to parent and these implications are profound."

At a speech last fall, Bob Watts described the journey of non-aboriginal and aboriginal people alike as they come to terms with this awful aspect of our shared history. He described it as a journey that starts with the heartbreak of hearing about the tragedies inflicted upon innocent children and then the realization that most of the pathologies ascribed to aboriginal children have a direct line drawn back to residential schools.

Next on the journey is anger. Why has it taken so long to find out about this piece of Canadian history? Then, how do we take these emotions and channel them into creating a better society? How do we heal the wounds caused by a conspiracy of silence? The journey of truth, healing and reconciliation is not solely an aboriginal — a First Nation — journey. It is a shared journey and we must face it together.

As the Truth and Reconciliation Commission said in their tribute to Nelson Mandela, "The patience he taught had nothing to do with accepting the unacceptable; it had everything to do with determination and principle; everything to do with justice in the long-term."

So, Mr. Speaker, on December 10, 2013, the Official Opposition and the Third Party recognize our role and responsibility to respect, protect and fulfill the human rights of all peoples.

In recognition of Yukon/Stikine Regional Science Fair

Hon. Ms. Taylor: Mr. Speaker, I rise on behalf of all members of the Assembly today to pay tribute to the hundreds of young scientists across Yukon and northern British Columbia who have just competed in school science fairs over the past month.

Of the more than 300 science projects presented this fall, 70 have advanced to the Yukon/Stikine Regional Science Fair competition that took place at the Yukon College this past Saturday. Students from grades 4 to 9 presented their science projects from eight separate Yukon schools and as far away as

Teslin and Destruction Bay. Three finalists from grade 7 and higher were chosen to represent the Yukon and northern British Columbia region at the 53rd annual Canada-Wide Science Fair next May in Windsor, Ontario.

Last year's finalists, however, Alyssa Bunce, Isabel Magsucang and KC Mooney travelled to Lethbridge, Alberta. They made our region extremely proud, bringing home medals, scholarships and many other prizes. These three really set the bar high for students going into this year's competition and I really commend them for their significant achievements in this regard.

This year, three grade 8 students, all from Vanier Catholic Secondary School, will be representing Yukon at the Canada-Wide Science Fair. As I referenced earlier, Isabel and KC are repeat winners. Isabel Magsucang with her project on HRV efficiency, KC Mooney with the project "Do Smells Affect Memory?" — and I learned that it actually does — and our third winner is Sophia Ross with "Handsfree Cellphones".

I wish to extend congratulations to each of these recipients and the best of luck to each of them as they proceed to the 2014 Canada-Wide Science Fair coming up in Windsor, Ontario.

In addition, 10 students in grades 4 to 6 received \$100 for first place, \$50 for third place, and \$25 for honorable mention.

Eleven students in grades 7 to 9 received \$200 for first place, \$150 for second place and \$100 for third place, and there were also a couple of honourable mentions in these grades as well.

Ten special awards were also presented at the Saturday fair, which included the Commissioner's Award for the best presentation in the fair. It was awarded to Wyatt Sheardown-Waugh, a student at Golden Horn Elementary School and who has also joined us here today.

I want to say congratulations to all of the regional award winners. I had the opportunity to see first-hand many of the project sponsors and the many students who worked so very hard these past weeks in putting their presentations together and to making it that far. We have a lot to be proud of in the Yukon, and I can say first-hand kudos to the parents and families, and to the many schools, teachers and all of the organizers of this highly revered science fair. It was an exciting day at the fair, and it was really a privilege to see such a display of excellence at every turn.

I have to say that it was extremely difficult — and it was duly noted by many of the judges at that time that it was extremely difficult — to be able to come to their deliberations because of the true calibre of presentations that were made.

Through science, students learn effective ways of studying and acquiring knowledge in the world around them. They learn to incorporate the scientific method into experimentation and research, all the while learning more about the world in which we live. Science gives young minds the tools to be critical of information that cannot be supported or proven.

These are valuable lessons to learn as our schools move further away from fact-based learning to research and project-based learning. Science fairs encourage an awareness and

application of rigour and ethics in the conduct of science and experimental study.

Events such as this past weekend's science fair would not be made possible without the commitment and the great organizational support of the greater community. Thank you to our co-chairs, Ryan Sikkes and Jody Woodland, to the volunteer scientists, the engineers and the others who helped evaluate the projects, to the Science Adventures program that operates out of the Yukon Research Centre and to the Yukon/Stikine Regional Science Fair Society itself.

The support that is offered to our teachers, our volunteers and parents to promote science and technology to Yukon students is extremely instrumental in engaging and challenging the Yukon's young minds.

I'd like to congratulate every participating student at this past science fair for the innovative thinking and hard work they've brought to their respective projects. Each and every student at the science fair is already a winner — congratulations to all of you.

Mr. Speaker, joining us here in the gallery today are a number of individuals, primarily champions of each of the award recipients — family and friends — but specifically I did want to point out that we have Wyatt Sheardown-Waugh from Golden Horn Elementary School, KC Mooney here from Vanier Secondary, and Isabel Magsucang and Sophia Ross, both of whom are from Vanier Secondary School.

I also wanted to point out that we also have Wendy Close, our Principal for Golden Horn Elementary School, who has also joined us here today, and many other family and friends. So I want to thank you for your ongoing support of these young scientists. Thank you.

Applause

Speaker: Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Istchenko: In the House today, I would like to introduce Frank Close, before he leaves. He's a bit of a pain when it comes to the hockey ice, especially when he's not on your team. He is part of Highways and Public Works — the great team that works up at the airport. I had to speak quite often in the spring sitting about the airport and airport safety so he's one of the guys who provides good day-to-day operations, keeping Yukon airports safe.

Applause

Hon. Mr. Cathers: Mr. Speaker, I would just like to welcome to the gallery and ask members to join me in welcoming the former Chief Electoral Officer for the Yukon, now retired, Ms. Jo-Ann Waugh.

Applause

Speaker: Are there any returns or documents for tabling?

Are there any reports of committees?

Petitions.

PETITIONS

Petition No. 17 — received

Clerk: Mr. Speaker and honourable members of the Assembly: I have had the honour to review a petition, being Petition No. 17 of the First Session of the 33rd Legislative Assembly, as presented by the Member for Watson Lake on December 9, 2013. The petition meets the requirements as to form of the Standing Orders of the Yukon Legislative Assembly.

Speaker: Petition No. 17, accordingly, is deemed to be read and received.

Pursuant to Standing Order 67, the Executive Council shall provide a response to a petition which has been read and received, within eight sitting days of its presentation. Therefore, the Executive Council response to Petition No. 17 shall be provided on or before the first sitting day of the 2014 Spring Sitting of the Legislative Assembly.

Are there any petitions for presentation?

Are there any bills to be introduced?

Are there any notices of motions?

NOTICES OF MOTIONS

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

THAT this House urge the Government of Canada to commit to an immediate phase-in of increases to basic public pension benefits under the Canada Pension Plan at the upcoming meeting of federal, provincial and territorial Finance ministers.

Speaker: Is there a statement by a minister?
This then brings us to Question Period.

QUESTION PERIOD

Question re: Yukon College primary care paramedic program

Ms. Stick: The government supports Yukon College in the provision of educational programs and services with more than \$22 million a year. On top of that, the government also funds specific initiatives. The government makes strategic investments in training people to work in local industries and specific sectors. The government says it believes in locally training people for local work, but right now the primary care paramedic program at the college is being cancelled at the last minute because it cannot run based on income from tuition paid by students alone. It is \$23,000 short.

Will the government provide support to Yukon College to maintain the primary care paramedic program?

Hon. Mr. Cathers: I thank the member for the question. This specific situation, first of all — setting the context for this — the primary care paramedic program was run for the first time this year at Yukon College. This was the second intake for the program.

In this situation, we understand from what we've heard from students that they were not given very much notice by the college of the possible cancellation of the program. I've

had it indicated to me by students that they were informed on Friday that the program they thought would be beginning Monday would be cancelled. The government also was not given a heads-up of the impending cancellation of the program. We are disappointed that more notice was not provided either to students or to ourselves and we very much empathize with the students.

At my request, staff of Community Services has been in contact with the college to discuss whether there is any possibility of them cancelling the cancellation of the PCP program at the college.

Ms. Stick: I'm pleased to hear that there at least is some communication, because last year the government invested over \$270,000 in this program that is now being cancelled at the very last minute. Why would this government invest that much money without ensuring that the program has the support needed to last more than one intake?

How does the government justify spending a quarter of a million dollars on a program at the college that's about to be cancelled on only its second intake?

Hon. Mr. Cathers: From what I hear from the characterization from the member, it sounds like she's not in support of the decision to fund the pilot project of the program, which is the first iteration of this program.

I hope that's not the Official Opposition's position. This government believes in, and has invested significantly in, providing health bursaries for Yukon students, in creating the family physician incentive program and in doing things, including funding the pilot project for the paramedicine program — the PCP program — at Yukon College.

As I indicated before, based on what we've been told by students, they were not given more than a few days' notice of the pending cancellation of this program by the college. We are disappointed with that decision and empathize with the students and appreciate the significant financial and the significant life and time commitment involved in pursuing training in primary care paramedicine.

As I indicated, at my request, staff of Community Services have been in contact with the college and are asking whether there's any possibility of cancelling the cancellation of the program. I've also been contacted directly by students and look forward to meeting with students later this week to hear directly from them about their perspective on this. I very much appreciate the situation they have been left in as a result of the college's decision.

Ms. Stick: We absolutely supported that program and think it was a good one for Yukoners. Registration in the Yukon College primary care paramedic certificate program involved, for those applicants, completing an 80-hour prerequisite course, passing written exams and appearing before a panel before the program even started. Students who passed through that process and were accepted adjusted their life plans. Some people moved here; others quit jobs; others looked for daycare. They made a significant commitment to be in this program.

Seven students invested time, effort and money in their applications and preparations for this program. They chose to

get their training here, in the Yukon, even though the tuition is sometimes three times higher than in B.C.

Will this Yukon government look at providing a \$23,000 investment in order for this program to continue?

Hon. Mr. Cathers: I would note that, first of all, it was through the support of the government that this program was funded. I'd also remind the member that, if the member is looking at one specific program and whether it's on a cost-recovery basis for Yukon College, Yukon College receives a very significant annual grant of millions of dollars from government to support its operations and support programs that are not fully funded.

Again I would express my disappointment and the disappointment of the government that no more notice was given to students than we understand they were given. Notice was also not given to us of this situation. However, upon being made aware of this situation, I asked staff of my department to contact the college and to ask them whether there is any possibility of cancelling the cancellation of this program, and that includes that we have made the offer to assist, if necessary, with the two unfunded seats, but we are waiting for clarity from Yukon College about whether or not there is a possibility of them rescinding that cancellation.

As I indicated in one of my previous responses, I'm looking forward to meeting the students directly. I would also point out that in other areas within our EMS within rural EMS, one of the things I've done in recent weeks is direct an increase to the funding for training of rural EMS attendants that's provided within rural EMS to the EMR level.

Question re: Teacher staffing

Mr. Tredger: I've raised in this House repeatedly the situation of substitute teachers, also known as teachers on call.

These dedicated educators are teaching children in schools every day and are an important part of our education system. Last spring, I asked the previous Minister of Education about the government's exclusion of teachers on call from being members of a union. In response, the previous minister told this House — and I quote: "I have asked Yukon Education staff to bring forward a recommendation for me to review, so that we can put that into our process and see when the earliest time would be that we can bring that forward." Mr. Speaker, has the Minister of Education received a recommendation yet and, if so, when will amendments to the *Education Labour Relations Act* be brought forward?

Hon. Mr. Dixon: The Yukon government values the contribution of substitute teachers to our education system, and we are aware that there have been some efforts by the Yukon Teachers Association to organize substitute personnel for inclusion in the YTA bargaining unit. We'll continue to follow those efforts as they are ongoing. There are potentially significant implications beyond simply changing the wording of the *Education Labour Relations Act*, ranging from potential impacts on wages, benefits and administrative costs to government, to the certification criteria to qualify to work as a substitute.

As we know, in Yukon, the qualifications for substitute teachers are fairly unique as a result of our unique and sometimes rural characteristics, but we are aware that this is ongoing and we're taking that into consideration.

As I said, we have previously asked for input from the Public Service Commission as well as the Department of Education and look forward to hearing how best to proceed. But of course at this point, we're following the goings-on at the union level and look forward to responding in due course.

Mr. Tredger: Only Prince Edward Island and the Yukon discriminate against substitute teachers. Court decisions have forced governments to ensure that the right to freedom of association — a charter right — and the right for Canadians to freely join a union of their choice apply to teachers on call.

Auxiliaries on call in the government are covered under YEU's collective agreements, but teachers on call are not allowed to be covered under the Yukon Teachers Association. This is inconsistent and breaches fundamental precepts of Canadian law.

Why is this government waiting for the courts to force them to do the right thing? Mr. Speaker, when will this government act and allow teachers on call to be part of their union?

Hon. Mr. Dixon: Mr. Speaker, it's unfortunate — the language the Opposition is using in indicating that we are somehow discriminating against substitute teachers — that's simply not correct. Substitute teachers are remunerated at a very competitive rate, a rate that is indexed to the increases that teachers received through the YTA negotiations and the YTA contract. They are a valuable part of the education system and we value the contribution that substitute teachers make.

However, should we choose to include them under the ELRA — the *Education Labour Relations Act* — there are significant implications that could carry, such as implications to the certification criteria for substitute teachers. As we've heard from members of the House, including the Member for Klondike, that certification criteria is important, especially in rural areas where it's difficult to find substitute teachers. If we had to make a change that called into question the criteria we use currently, it may have implications on rural communities in Yukon.

This is not to say we are ruling anything out, but it's something we need to consider very closely and is not something we should jump to conclusions on. I'm disappointed to hear the position of the NDP — that they feel that the Yukon government discriminates against any particular set of employees. We obviously don't share that opinion and we will be responding to the actions by the YTA, as they are reviewing this issue currently.

Mr. Tredger: This is about a basic right to be represented and has been an issue for over five years. The Yukon Party's reluctance to move forward in a timely manner suggests they are not really interested in ensuring that basic fundamental democratic rights are enjoyed by teachers on call. This Yukon Party government will not allow the Yukon

Teachers Association to have contact information of the teachers on call. Denial of this information effectively prevents workers from discussing their concerns and issues with the Yukon Teachers Association.

The Yukon government cannot block the Yukon Employees Union from contacting auxiliaries on call, so how can they justify denying the YTA the same right? Will the Yukon government stop putting roadblocks in the way of Yukon workers exercising their right to freedom of association and their right to belong to a union of their choice?

Hon. Mr. Dixon: As I said, we are aware that the Yukon Teachers Association has begun efforts to organize substitute personnel for inclusion in the YTA bargaining unit. As I said, we will continue to follow these developments, but I should note that there are potentially significant implications of simply changing that piece of legislation, the *Education Labour Relations Act*, and the potential implications range from impacts on wages, benefits and administrative cost to government, to the certification criteria to qualify to work as a substitute teacher in the territory.

As I said earlier, we have unique characteristics here in the Yukon and some of our rural communities face challenges in attracting substitute teachers. If we were to make changes to the legislation that would change or replace the certification criteria we use currently, it could have potential impacts on many of our rural schools. So we won't make any rash decisions about this and we won't respond to the NDP's calls that we are discriminating against any particular group of employees. Obviously we value the input and participation of substitute teachers in the education system, and we'll continue to work with the YTA to determine the best and most appropriate next steps.

Question re: Tourism marketing funding

Mr. Silver: In February 2011, the Government of Yukon announced a funding arrangement agreement with Government of Canada for overseeing tourism marketing. Unfortunately, that funding agreement runs out in March of next year. There has been no word from this government on whether the funding will be renewed or how it will be replaced if it isn't. That is half a million dollars a year from Ottawa that is coming to an end. The Government of Yukon is putting together next year's budget right now.

Can the minister confirm that funding does end in March and what options is the government pursuing to replace this funding?

Hon. Mr. Nixon: I thank the member opposite for his question. This has definitely been something that has been on my radar for the past number of months. There was a four-year agreement with the Government of Canada through CanNor to be allocated for overseas marketing. That was time-sensitive, so that fund does run out in March of 2014.

We are currently working with our MP, Ryan Leef, and our senator — as well as the minister responsible for CanNor and for Tourism and Culture — to see how we mitigate this issue and continue to put pressure on the overseas markets that Yukon has reached out to for marketing. We've definitely

seen some great success from this \$590,000 that was provided through CanNor and we certainly hope to continue working with the federal government on that relationship.

Mr. Silver: If this funding is not extended or replaced, it will leave a major hole in our overseas marketing budget. The minister's recent trip to England or to Germany would have been a good place to announce how government intends to proceed with overseas marketing. There was no announcement and the industry continues to dangle while the government figures out a way to address this \$590,000 shortfall in next year's marketing budget.

The minister recently told this House that he was in communication with Canada about the future of this program and he reiterated that on the floor today. He also said that Ottawa has yet to announce funding beyond the end of March 2014 under this program. Members of our tourism industry are not really interested in Ottawa's deadlines per se. They want to know if the government will be cutting our overseas marketing. What assurances can the minister give the tourism industry that the budget for overseas marketing will not be cut while the government and the Government of Canada send back correspondence?

Hon. Mr. Nixon: As I have indicated on the floor of this Legislature previously, the primary target markets for the overseas marketing project are Germany and Switzerland. Secondary markets are the U.K., Australia and Japan and there are emerging markets that are identified, such as France, Netherlands, South Korea and China.

We have seen great success with the overseas marketing initiative in relationship with the Government of Canada. We just have to look at the increasing tourism numbers within the territory. Yukon hosted over 320,000 visitors from around the world — 34,000 of those were indeed overseas visitors. I've spoken before on the floor of this Legislature that tourism generates over \$200 million in revenue each year for Yukon businesses. That's something that this government can stand behind.

The Japanese market increased significantly. Perhaps as a result of this important marketing that we are working on, more than 3,500 Japanese visitors experienced Yukon last year. We hope those numbers continue to increase. Germany continues to be the Yukon's largest overseas market with approximately 26 percent of the overseas visitation. This is something that is very important.

Mr. Silver: I do appreciate the minister's answers. The Yukon has seen success in Europe, and Germany particularly. I am pleased to see that we have some good results. One of the reasons for these numbers is the increased marketing that has taken place in recent years. That marketing will be severely curtailed if the Government of Canada blows a half-a-million-dollar hole in that budget.

Can the minister assure the tourism industry that the overseas marketing budget for next year will not be reduced?

Hon. Mr. Nixon: Another point that I really need to make is about some of the cooperative marketing initiatives that the member opposite had indicated when we were overseas — that we indeed worked on. The Department of

Tourism and Culture utilizes these agreements and marketing initiatives as a strategic tool to significantly increase the global market reach and its impact.

These cooperative marketing initiatives focus on projects where partners matched Tourism Yukon's budget. This approach doubles our marketing investment in those regions. Through the cooperative marketing, the Yukon government leverages approximately \$1.8 million each year from marketing partners and stakeholders. So that just shows the importance of the relationship with the overseas markets and the continued relationship with the Government of Canada, specifically CanNor, in working to extend or renew or continue to provide overseas marketing money.

Question re: Pharmaceutical costs

Ms. Stick: Mr. Speaker, Yukoners pay some of the highest costs in the country for prescription drugs. Five years ago, the government's own internal audit recommended negotiations of a new pharmacy agreement since the last one was to expire in 1997. If this government cared about the sustainability of our health care system and its dollars, it would deal with these top-cost drivers.

In May 2012, when we asked about this government's support of the unsustainable purchasing agreement, the minister acknowledged that the 30-percent markup is probably not appropriate and that, "... we will be coming up with a new agreement in the very near future."

In the last year and a half, the "very near future" has come and gone. Mr. Speaker, when will the Yukon government complete negotiation of a new pharmacy agreement with the Pharmacy Society of the Yukon as recommended in its own internal audit?

Hon. Mr. Graham: Mr. Speaker, I guess the member opposite doesn't completely understand the way the pharmaceutical system works across the country.

As an independent jurisdiction, we don't negotiate the cost of drugs with any supplier. What we do is determine the markup that local pharmaceutical businesses can apply to each of these drugs.

What we have found in the very recent past is that, under the pan-Canadian drug purchasing alliance, which was established to consolidate public sector cost reduction of common drugs, we found a number of drug prices have dropped dramatically. With the recent announcement, especially in the Province of Alberta, that they will pay for generic drugs at only 18 percent of the cost of regular drugs, the cost to the territory has dropped dramatically. It has also had a secondary impact of dropping the margin for all of the pharmacies in the territory that supply those drugs because they are allowed to make a markup on a much smaller initial cost. It's a double-edged sword right now.

Ms. Stick: What Yukoners want to hear, though, is that this government is making a meaningful commitment to acting on the recommendations of its own audits of the pharmacare program. From the 2011 follow-up audit, I quote: "Management has reported that a final options paper on an

agreement with the Pharmacy Society of Yukon will be presented to government for consideration ..."

A new pharmacy agreement has been recommended for years. A final options paper was presented. Over a year ago, the minister said, "... we will be renegotiating the contract. We will be doing it as quickly as possible...".

Why the delay? When will this government negotiate a new pharmacy agreement to get a better deal for Yukoners while continuing one of the most serious cost drivers in our public health education?

Hon. Mr. Graham: Perhaps the member opposite didn't really hear what I had to say in my initial response.

As part of the pan-Canadian drug purchasing alliance, as I said, the cost of drugs has dropped dramatically in the territory. Six drugs were negotiated in the last year. The cost reduction to the Yukon of those six drugs alone is approximately \$500,000, so we are reducing the cost of drugs in the territory. As part of that we also have to take a look — and we're doing that at the present time. As we've already announced, we're beginning negotiations with pharmacies and pharmacists on the creation of new acts and the potential of expanded-scope practices for pharmacists. We have to include all of that in the negotiations over drug costs and we'll be doing that. We've committed to doing it, but we have to take all facets into consideration. We can't run out right now and negotiate a new agreement based on the fact that there may be something happening in the future. We have to first of all determine what we're doing with the *Pharmacists Act* and future drug prices, and then we'll negotiate a new agreement.

Ms. Stick: Cooperating with other jurisdictions on setting a price for the six most common generic drugs is an important but small first step. Yukoners are still spending more on prescription drugs than we should, and it's more than our public system can afford.

Inaction does not benefit the Yukon public. A 2010 report prepared for the Department of Health and Social Services made it clear that, not only do we pay too much for the drugs, but the inefficiencies and archaic processes also cost too much.

I'm pleased to hear we are talking about pharmacare legislation, but this is about negotiations with pharmacists. The 2010 report also said that pharmacists expect notice from the Yukon government to renegotiate pharmacy pricing. They are ready to save costs and improve safety. The pharmacists have shown that they can improve safety and save money. The internal auditor recommends it.

What is the government —

Speaker: Order please.

Hon. Mr. Graham: The member is talking about audits that were done three years ago — almost four. Since then, there have been massive changes in the drug-supply system in this country, not only as part of the pan-Canadian drug purchasing alliance, but the provincial and territorial health ministers recently called for the establishment of a competitive, value-priced initiative — and possibly even a national competitive bidding process — aimed at reducing the cost of drugs to the individual provinces and territories.

It's interesting to note that the member opposite doesn't seem to have any concern for the financial viability of pharmacists in the territory, because as the price of these generic drugs drop — and as I said, we've saved approximately \$500,000 in the last year alone — so does the markup for pharmacists in the territory.

We're concerned about their financial viability as well. As part of a bigger package, we'll continue to work with pharmacists and pharmacies to best work out the drug pricing agreement in the territory.

Question re: Parks creation

Ms. White: The government provides guides for Yukoners and tourists, showing where all the Yukon campgrounds and park are located. These maps show that there are four territorial parks: Tombstone, Agay Mene, Asi Keyi and Kusawa. However, if you read the fine print on the maps, it shows that only Tombstone is a designated legal park and the other three are awaiting legal designation. In short, they are parks in name only.

It seems disingenuous to show tourists and Yukoners that there are four territorial parks when really there is only one. When will these parks become official natural environment parks and receive proper protection?

Hon. Mr. Dixon: I think for the member opposite to suggest that some of those parks don't have the protection they require is inaccurate, to say the least. Parks that have been identified — Asi Keyi, Tombstone, and Agay Mene — are identified in land claims. They are obligations of the land claims with a specific First Nation. Yukon government is in the process of undertaking planning for those parks.

In some cases, like Tombstone Park, we have a management plan that we've worked out with the Tr'ondëk Hwëch'in. In other parks like Kusawa and Agay Mene, planning work still needs to be done. In the case of Kusawa, the planning work is underway to develop a management plan. I've written a letter to the member's colleague — the Member for Southern Lakes — explaining the status of those management planning initiatives.

Once we have a management plan for those specific parks, I'd be happy to table them in the House as they certainly will be public documents. For the member opposite to suggest that parks in their current iteration don't have the level of protection they require is simply inaccurate and I fundamentally disagree.

Ms. White: Both the Carcross-Tagish First Nation and the Kluane First Nation final agreements are the basis for establishing Agay Mene, Asi Keyi and Kusawa as natural environment parks. These final agreements came into effect in 2005. That was eight years ago. First Nations want to move ahead. These areas seem to be no nearer to becoming legally protected parks, and today they are still just patches of green on government maps. This lack of progress from the three Yukon Party governments suggests a lack of commitment to establishing Agay Mene, Asi Keyi and Kusawa as natural environment parks.

Will the minister commit to ensuring that these three parks are protected as natural environment parks before this government's mandate ends?

Hon. Mr. Dixon: For the member opposite to suggest that the parks are simply patches of green on Yukon government maps is entirely disrespectful to those First Nations and the Yukon government that manage those parks. I would refer the member to the letter I wrote to her colleague — the Member for Mount Lorne-Southern Lakes — last week, which outlines the management planning initiatives in Kusawa and Agay Mene. She will probably find her answers there. Perhaps they need to have better communication among their caucus.

The management planning initiatives that are undertaken in these parks are not something that are done unilaterally by government. They are done in partnership with First Nations, and we need First Nations at the table to join us in creating management plans. In the case of Kusawa, that is underway and that work is going well. In the case of Agay Mene, we await what we think will be success with Kusawa. Then we will move forward with terms of reference that are based on the Kusawa planning to achieve a management plan at Agay Mene.

For the member to suggest that these parks are somehow inferior to other parks, or aren't adequately protected, is inaccurate and I disagree completely.

Ms. White: The Yukon Party has not made park planning a priority. They could have provided extra resources to the government's team and found ways to assist the participation of Yukon First Nations, including funding arrangements or the proactive sharing of baseline information.

The Yukon Party Government is on record as saying that there is enough protected area in the territory and that they will only implement the parks that are in the final agreements. Yet this government cannot even seem to live up to that claim.

This government says some nice things about implementing final agreements, but will the minister commit to meeting his obligations and ensuring Agay Mene, Asi Keyi and Kusawa are designated as natural environment parks by the end of his mandate?

Hon. Mr. Dixon: Again, I have to point out that the creation of management plans is not something that is done unilaterally by government. It is something we do in partnership with First Nations.

In the case of the territorial parks that the member opposite has referenced — Agay Mene, Asi Keyi and Tombstone — of course management planning, in the case of Tombstone, has been completed and, in the case of the other parks, is ongoing. It's not something that we're going to put our heads down and charge ahead without our First Nation planning partners and do that without them. We need to have them at the table and we need to have them involved for the implementation of these land claims to be meaningful. First Nations need to be involved in these parks because the land claims require them to be.

For the member to suggest that these aren't adequately protected now is inaccurate. For her to suggest that we aren't

funding park planning enough is also inaccurate. We've increased the amount of park planning that has happened over the last number of year. Finally, for her to dismiss them as patches of green on a map is entirely disrespectful to the First Nations, to the Yukon government and to the land claims themselves that identified these very important areas as special management areas.

Again, I have to just fundamentally disagree with the member opposite in her assertions and I'd have to correct the record that we are not investing enough. We are investing in park planning and will continue to throughout this mandate, moving forward.

Speaker: The time for Question Period has elapsed.

GOVERNMENT PRIVATE MEMBERS' BUSINESS

Hon. Mr. Cathers: Pursuant to Standing Order 14.2(7), I would like to identify the order in which motions other than government motions standing in the name of government private members are to be called for debate on Wednesday, December 11, 2013: Motion No. 500, standing in the name of the Member for Watson Lake and Motion No. 532, standing in the name of the Member for Vuntut Gwitchin.

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

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 61: *Health Information Privacy and Management Act* — Third Reading

Clerk: Third reading, Bill No. 61, standing in the name of the Hon. Mr. Graham.

Hon. Mr. Graham: Mr. Speaker, I move that Bill No. 61, entitled *Health Information Privacy and Management Act*, be now read a third time and do pass.

Speaker: It has been moved by the Minister of Health and Social Services that Bill No. 61, entitled *Health Information Privacy and Management Act*, be now read a third time and do pass.

Hon. Mr. Graham: Before I start, I think I want to once again thank my department officials and researchers for doing such a wonderful job on, first, preparing all of the information for public discussions and meeting with all of our stakeholders, and then preparing the many drafts of this bill required to incorporate so much of the information that was received from all of our stakeholders.

It gives me great pleasure, Mr. Speaker, to bring this bill, Bill No. 61, entitled *Health Information Privacy and Management Act*, to third reading.

It's a very comprehensive and somewhat complex piece of legislation, and I think it's an important step forward in protecting the privacy of health information of residents of the territory. At this time, all jurisdictions in Canada — with the exception of Prince Edward Island and Nunavut — have legislation in place that is very similar to ours. All

jurisdictions have struggled with the balance of bringing forward comprehensive legislation that is extremely complex.

The process for developing this legislation was extensive and it stretched over four years. We started with a reference group of key stakeholders, including representation from the Yukon Medical Association, the Yukon Registered Nurses Association, the Yukon Pharmacy Association, the Yukon Hospital Corporation, the Council of Yukon First Nations Health Commission and Health and Social Services senior managers.

This group was responsible for, first of all, establishing the policy framework for the legislation, and then carrying forward the consultation with various groups and organizations. The policy framework then went to public consultation in 2012, during which time my department carried out approximately 40 public meetings and stakeholder meetings across the territory.

Finally, last summer, we provided many of the same groups that were involved, both in the reference group and in various stakeholder consultations, an opportunity to comment on the draft act. Again, we had meetings with many of these groups and received very helpful feedback.

Every day, Yukoners talk to their health care providers about their health and they share very sensitive, private information with their health care providers. When we do this, we expect that our privacy will be carefully protected and our information will be shared only when appropriate.

Protecting privacy goes beyond the confidentiality that health professionals may be required to take. Protecting privacy means developing a culture of privacy within an organization and developing information practices to ensure everyone working in our hospitals, our clinics and other facilities understand the importance of providing care in a manner that protects the privacy of personal health information. This act is about raising the bar on the privacy and security of personal health information, while also making sure that our health care providers have the necessary access to information that will provide improvements to the health care they provide to us. We're working to balance these two objectives with the overall goal of providing Yukoners with improved health care.

Yukon is one of the last jurisdictions, as I said, to bring forward this type of comprehensive health legislation. Because of that, we have benefited from the work that has gone on elsewhere. Our legislation generally models that which many other jurisdictions have done while including, as I said previously, some unique Yukon features.

The general approach to privacy is that a person should never collect, use or disclose identifying personal health information if other information will work.

In the event that personal health information is needed, only the most limited amount of information should be collected, used and disclosed for the purpose — and only disclosed in the most limited way possible. In other words, the least amount of information to the fewest people is what is best for this system. These principles are sometimes referred to as the "need to know".

Based on all of the public consultation meetings and stakeholder input that we received, I can say without a doubt that health care providers and the general public support the need for this legislation and recognize the progress we can now make in developing more sophisticated health information systems. This was again confirmed in the response to our limited distribution in late spring of this year of the draft legislation to key health care stakeholders, Yukon First Nations and the Information and Privacy Commissioner.

Speaking of the Information and Privacy Commissioner, we received extensive suggestions from the commissioner, and we felt that some of the information was extremely valuable to us. I think that, of 57 or 58 recommendations — somewhere between 50 and 60 recommendations — we accepted completely or modified in a modified manner approximately 30 of them without further amendment. As the House is aware, we've expanded the position of our Information and Privacy Commissioner just recently into a full-time position.

We recently hired a new commissioner, and among the many things this legislation will do is provide our Yukon Information and Privacy Commissioner with the responsibility for overseeing this act. We will also expect the Information and Privacy Commissioner to continue to provide feedback on a number of other key areas that will be further developed during the development of regulations to this act.

The Information and Privacy Commissioner strongly urged a proactive compliance approach to privacy legislation. This suggestion would include a requirement for custodians to do privacy impact assessments. It would also include an expanded role for the Information and Privacy Commissioner to review and approve these assessments, as well as to review and approve the privacy and security policies that a custodian must have in place for their operations. This was one of the Information and Privacy Commissioner's suggestions that we simply did not accept. We believe that our health care sector understands the importance of providing care in a privacy-protected manner. We also believe that they will act in good faith to comply with the legislation without the need for a stronger role of the Information and Privacy Commissioner. We've established in the legislation — and we will provide more information or more detail in the regulation — the information practices that must be in place for each custodian to operate. We have confidence that custodians will be able to meet these standards and understand that many health care providers already meet their professional association's privacy and security standards.

When things go wrong, and we know they can, the legislation sets out how complaints may be made. Before I go on to that, Mr. Speaker, it will be important that I address each or many of the Information and Privacy Commissioner's concerns. As I feel this is very important legislation, the concerns received a great deal of public airing to reassure the public that many of the concerns of the IPC have been addressed. Any that weren't addressed in the bill will be addressed either in legislation, or we have a very good reason for not going ahead with them.

I've already addressed the mandatory privacy impact statements that we believe, as I said, should not be in the act. They will be addressed in the regulations over time, but we took the position that they will not be required for IPC approval. We have also taken the position that privacy impact assessments will be required by the Health and Social Services department during the operation of many of the processes that will be under the mandate of the Health and Social Services department. They will be all reviewed by the IPC, but the IPC will not have the mandate to say yea or nay. We will accept the recommendations and, as we have shown already in the past, many of these recommendations are very reasonable. They are very wise recommendations and we will accept them, wherever possible.

We have also agreed to lower the threshold for offences and broaden offences at the IPC's recommendations. We've increased fines from \$10,000 — which was what we originally planned — to \$50,000 for individuals and up to \$100,000 for corporations. They could go even higher if the court decides within the range.

We've also expanded the act to allow for a person to make a complaint with respect to any aspect of the act being violated if there is reasonable belief that violation of the act occurred. That's much stronger than what we initially proposed.

We also clarified certain provisions and we will expand the regulation respecting the Yukon health information network consent provisions. We also approved or expanded the role and responsibility of the advisory committee. I made a commitment in this Legislature to establish an advisory committee once this act is brought into being. We've also required the minister to consider all recommendations of the advisory committee once it is established. We've also expanded the IPC's authority to review and recommend on certain Yukon health information network matters. Any privacy impact assessments done through the Yukon health information network would be submitted to the IPC once again for recommendation, not necessarily approval.

We've also improved the security breach provisions of this act to clarify definitions and to set out requirements for notice. We think that the security breach provisions are some of the strongest we have in the country.

We've also revised the definition of the institutional research review committee to include reference to adherence to tri-council policy standards, which was an improvement over the original bill.

We've shown that we take personal information security very seriously. We thank the IPC very much for her carefully considered recommendations, and we think that we have a much stronger bill as a result.

Going forward, as we get into producing regulations, we've also made a commitment that the regulations will be discussed once again with all of our stakeholders. They will be submitted to the IPC for her review and recommendations once again before they're brought into place.

We think that the regulations will also be much improved once they're finally enacted.

What we've also learned is that we're a very small jurisdiction and we're very new to this type of legislation. We think that as we mature as a jurisdiction and as our processes and our systems mature as well — because we don't have a Yukon health information network in place yet — once it is established and once we begin to learn more about it, other changes may be required in this piece of legislation.

We state that because we've seen what has happened in jurisdictions like Ontario and Alberta where they've made constant changes to the act to not only keep up with technology, but in order to improve it — to deal with the new things that are happening in the information world as we know it.

E-health or electronic health information systems are being implemented as we speak, not only in this country, but across the world. The new approaches to managing and sharing information are extremely complex and very expensive. I've brought forward estimated costs for what it will cost us, not only to develop the Yukon health information network, but what it will cost — or what it has the potential to cost us to operate that system well into the future. The numbers are actually quite frightening.

The new approaches are extremely complex, as I said, and the Yukon can't afford to make the mistakes that we've heard about in many other provinces. We're being cautious as we move forward in developing our e-health solutions. We're learning a great deal from other provinces' successes. We're also learning a great deal from their failures. What we know with certainty is that we need legislation in place to authorize these new ways of managing our personal health information and supporting the technologies that lead to better informed health care decisions.

An important lesson we've learned about e-health is that clearly identifying how these systems will operate and who will have custody or control of the information is very difficult in the early stages of development.

Legislation in most of the smaller jurisdictions makes only a passing reference to electronic information systems.

As people will know from our discussions of the act, we have tried to lay out a framework for a governance system for e-health, but much of the detail will need to be addressed in regulation. We recognize that when we move down the road with electronic health information systems that include participation from a variety of health care providers, we need to give careful thought to the arrangement. This will all be done as the systems are designed and implemented.

The act is more than about e-health. It speaks to our everyday collection, use and disclosure of personal health information in whatever media — be that paper, digital, video or any new technology that will be developed in the future. To the extent that we could be forward thinking, we have tried to do this in the legislation. This act contains provisions that will allow some flexibility to experiment with new technologies for information management to determine if these new approaches are effective and can comply with the legislation.

Another lesson that we've learned from our provincial colleagues is the importance of addressing security breaches.

As I've said, Mr. Speaker, we believe that we have addressed this in cooperation with the IPC. We believe that we have one of the strongest systems in the country and we also believe that we can only improve it in the future.

We've really addressed security of our personal information and security breaches in such detail in the act itself that we believe that we've probably addressed it more than any other jurisdiction. The public needs to know that if their personal information is inappropriately accessed and there is potential for harm to anyone, they will be notified as soon as possible and advised of the efforts to mitigate any harmful results. The public also needs to be assured that if a breach has occurred the custodian has taken action to prevent it from happening again.

During the lead-up to introduction of this legislation, we also listened to our First Nations and tried to address as many concerns as we could. We received a submission from KDFN — Kwanlin Dun First Nation — and some important changes were made in the bill and were adopted during the debate so far.

Most of the changes focus on providing First Nations with some similar authorities for collection and use of information, similar to what Health and Social Services has and similar to what the Yukon Hospital Corporation has. This will support First Nations, not only Kwanlin Dun but others, to plan and manage their own health care systems and to deliver their own programs.

Similar to other comments we've received on the draft, we've responded to as many concerns raised by KDFN as possible. In some ways we've responded in the bill itself, but some issues will be addressed in later regulation or future-oriented activities, such as the establishment of an advisory committee.

Whereas we haven't made any decisions with respect to that advisory committee, we see it being populated by representatives from many of the same organizations that participated in the drafting of the bill.

Another important change that we made in response to the Kwanlin Dun First Nation is a general limitation on uses and disclosures of personal health information without consent. We've reviewed all of the uses and disclosures and we've amended the bill to be consistent — to the greatest extent possible — with other jurisdictions. We do have a couple of Yukon exemptions and respond primarily to Yukon-unique conditions. We went through one of those conditions extensively during debate in Committee, where we talked about revealing personal information should a judge so decide under very limited and strict conditions. I believe that all members of the Legislature understood and agreed — finally — with that provision.

We've also put many new obligations on custodians in this act. Many of the details will be laid out in regulation. We'll consult on those regulations because we want to make sure that, not only do we place these obligations on custodians, but they are very aware of those obligations are, that they have time to train their staff to put into effect reasonable regulations or reasonable policies and processes in

their own businesses, and that they're not put under undue pressure to either rush into these things or to expend a great deal of money implementing policies and procedures or regulations under this act. So we'll consult and we hope that we'll be able to assist all of the new custodians to comply with the act.

Having said that, many health care providers — doctors, nurses, dentists — already have privacy and security standards set by their national organizations that they must meet, and we don't intend to exceed those standards in any way.

This act, as I said, supports the significant work done by our First Nations community and we really think that, by giving them the authority to use the information, they will be in a better position to plan and manage their health systems, their programs and their activities.

We've talked about the legislation with many, many people over a number of years, as I have pointed out. Health care providers, our provincial colleagues, First Nation representatives, experts in privacy and security, interested members of the public and many more individuals and stakeholders have all participated in making this legislation, I believe, as good as it is here today. I believe the legislation has benefited from every single conversation that we've had, and I hope these discussions will continue, as we proceed with development of regulations. We're moving forward with the best interest of all Yukoners at heart. I look forward to the support of all members of the Legislature in third reading of this bill.

Ms. Stick: I rise on behalf of the Official Opposition on Bill No. 61, entitled *Health Information Privacy and Management Act*. We support this bill but realize that the details, the regulations and the processes that custodians put in place and follow will be critical to its implementation.

I want to thank department staff for the hard work involved in this long process, including consulting and educating the public. I also want to thank them for helping this Assembly understand this legislation, which is complex and far-reaching.

More and more today, people are becoming aware of their rights to privacy and the protection around personal information. I would suggest that our personal health information is something we all want to protect and we want to have confidence in those who handle our information. Too often we hear in the news of lost or leaked information. No one wants that and this legislation outlines protections, protocols and reporting if such an unfortunate incident were to occur, as well as consequences and fines.

The Information and Privacy Commissioner, whom the minister referenced, spent much time reviewing the legislation and commenting on it, along with making recommendations to make this stronger or, in her words, ensure the mechanisms and the *Health Information Privacy and Management Act* are robust enough. Throughout her review of the legislation, the Information and Privacy Commissioner offered praise, raised questions and made concrete recommendations.

It is my understanding that the department discussed these issues and, in some cases, made those changes or modifications. In others, it was decided to go ahead with the legislation with no changes.

I want to thank the Information and Privacy Commissioner for her hard work. It is our understanding that the department will continue to consult and discuss with this Commissioner throughout the implementation of this legislation, including the regulations and processes that custodians will have to put into place to protect the personal health information of Yukoners.

We are pleased to see that there is a review period for this legislation of four years, and I would hope that if at any point during the time period there become issues that needed to be addressed, that the information will become public and open to discussion and debate. This is important legislation and it affects each and every Yukoner. Public education and awareness will need to be considered and put in place to ensure that people understand their rights and responsibilities and have confidence in the process. As I stated, the Official Opposition will support this legislation.

Mr. Silver: It gives me great pleasure to stand on third reading for Bill No. 61, *Health Information Privacy and Management Act*. I will be very, very brief. To summarize my previous comments, my issue is less with the content of this bill and more with the planning associated with developing it. By providing information on such a bill further in advance, the government can ensure much quality.

I also hope that the government quickly moves on the cost implementation of this bill, as mentioned previously. I believe Yukoners would like to know what the total cost will be for the completion of this planned project. With those few comments being stated, I just want to stand and thank all those involved in the writing of this. I also want to thank the minister for a thorough Committee of the Whole questioning opportunity and we will be supporting this bill.

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

Hon. Mr. Graham: Mr. Speaker, I can't believe that no other member wants to speak on this riveting bill.

I'm glad that the Information and Privacy Commissioner's role in the bill was once again brought up by the member opposite, because we believe that the Information and Privacy Commissioner's role is one that is very important to the implementation and the ongoing monitoring of this act. That is one of the reasons that we set out the powers in the bill such that the IPC's role can be expanded appropriately in the future, if that is what the government of the day decides.

We have maintained flexibility in the bill not, only in terms of the IPC's role, but in terms of almost everything that is going into the bill, including the use of technology. I used as an example during second reading, I believe — a few years ago we could go into a local video store to choose a DVD to watch on the weekend and it was often a social event to everybody in the store on a Friday evening after work — or in

the case of the Minister of Environment, to watch his Beta videocassette of *Bambi*. It simply doesn't happen anymore.

We download information from the Internet and that's only in a very few short years. We've created that flexibility and we've allowed the subsequent governments to change the information or the act as required. On that, I commend this bill to the House.

Speaker: Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. 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. Stick: Agree.

Ms. White: Agree.

Mr. Tredger: Agree.

Mr. Barr: Agree.

Mr. Silver: Agree.

Clerk: Mr. Speaker, the results are 14 yea, nil nay.

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

Motion for third reading of Bill No. 61 agreed to

Speaker: I declare that Bill No. 61 has passed this House.

Bill No. 58: Child Support Administrative Recalculation Act — Third Reading

Clerk: Third reading, Bill No. 58, standing in the name of the Hon. Mr. Dixon.

Hon. Mr. Dixon: I move that Bill No. 58, entitled *Child Support Administrative Recalculation Act*, be now read a third time and do pass.

Speaker: It has been moved by the Acting Minister of Justice that Bill No. 58, entitled *Child Support Administrative Recalculation Act*, be now read a third time and do pass.

Hon. Mr. Dixon: I'd like to rise at third reading to commend this bill to the House and to, first of all, thank the officials in the Department of Justice who have brought it forward for me to table in the House and, of course, have it passed by the members. I understand from debate in Committee of the Whole and in second reading that the opposition parties will be supporting this bill, so I look

forward to hearing unanimous consent to the passage of this legislation.

Mr. Speaker, as I have indicated previously, this legislation will institute a service to recalculate child support payments when the income of a parent changes. Instead of applying to court for a variance of the original child support order, either parent could apply to this administrative service to have their child support payments recalculated. The act covers all child support orders made in Yukon courts and those made under the federal *Divorce Act*, regardless of when they were made with certain necessary exclusions.

We are entering negotiations with the federal government to include orders under the federal *Divorce Act*, which is noted as a possibility in the act. We expect an agreement to be in place by the time the act comes into effect.

This legislation addresses an access to justice issue and is part of this government's commitment to support families. We know that going into court means a commitment of time and money, which some parents are unable to make. We also acknowledge that the issue of child support is an emotional one and many separated parents would rather avoid confrontational court appearances in deciding the amount of child support to be paid. Other parents may decide that it is only in court that a full hearing of all the circumstances will result in a fair decision. This legislation therefore makes an administrative recalculation available to those parents who request it but retains the option of going to court instead, if necessary.

This act will affect a sizable population in Yukon. According to the 2011 census, there were 1,915 lone-parent families in Yukon, of which 1,390 were led by women. Not all would be subject to child support orders but, in 2012, 1,365 child support orders were made and that would be close to average over the last few years.

As any parent will tell you, the cost of raising a child is considerable. Most Yukon parents would want their children to be able to take advantage of the lifestyle and amenities that we enjoy here in Yukon; however, when it comes to making arrangements to pay more for child support, there might be some reluctance or procrastination in putting those arrangements in place because of the challenges with going to court.

This new service will make it easy for parents. On application, a neutral administrative service will recalculate the child support and notify the parents of the new amount. In deciding which child support orders to include in this service, the Department of Justice contacted parents, lawyers, women's groups and First Nations. They also consulted internally with Family Law Information officials and the maintenance enforcement program. Because the recalculation will necessitate the timely submission of information and notification, it was decided to restrict the service to child support orders where the payor was a resident of the Yukon.

Many jurisdictions restrict their service to both payor and recipient being residents of that jurisdiction, but we thought it would be doable to have only the payor residing in Yukon. I know we had some discussion about this in Committee of the

Whole, and there was some debate and, ultimately, the decision was supported by all members.

The feasibility study conducted in 2009 recommended that shared custody orders not be included, because that would necessitate obtaining income information from both the payor and the recipient, but we decided after consulting to include them.

Shared custody orders are the most common child support orders, so excluding them would lessen the effectiveness of the service. It is our intention to institute a service that is easy to administer and utilizes the formula in the child support guidelines, where the income of the paying parent determines the amount of the child support. In recalculating the new child support, it should simply be a matter of imputing a revised income amount into a formula. Where there are complexities, parents always have the option of applying to the court for a variance.

Although the act makes clear the child support orders that are to be included in the new recalculation service, there is also provision for future flexibility so that other child support orders can be added later by regulation.

Here's how the recalculation will work: either parent may apply to have their child support order recalculated. The recalculation officer then decides whether the child support order is eligible, according to the criteria I outlined previously. Notification of that recalculation is to be performed and then sent out together with the request for the latest income tax assessment of the payor.

The act makes the submission of this income tax information obligatory. This information is necessary for the accuracy of the recalculation. Privacy is guaranteed under the provisions of the *Access to Information and Protection of Privacy Act*.

On receipt of the income information, the recalculation officer makes the calculation, using the child support guidelines and informs the payor and recipient of the result. This is the amount that now replaces the child support amount in the original order. If either parent disagrees with the new amount, they would have to apply to the court. If the recalculation officer believes that a court might come to a different amount, the recalculation officer can refuse to make the recalculation and any applicant would have to take the application to court.

We have decided that a recalculation will not be performed in every subsequent year after the application has been accepted once. The reason for this is that we want to make sure that the service is activated by the applicant according to their circumstances and wishes, and those might change from year to year.

Although annual recalculation would reduce time, effort and stress for some applicants, for many it would be wasted effort by the officials because the payor's income had not increased sufficiently to make a significant difference in the child support amount. This act recognizes a difference of \$5 per month as significant enough to trigger notifying the parents of a new amount. The new service will be located in the Family Law Information Centre on the first floor of the

Law Centre, which is easily accessible to parents who are in Whitehorse.

Information and applications will also be available online to accommodate rural parents. We are aiming for the act to be proclaimed and come into force in June of next year. Procedural details will be published in the regulations that will come into effect at the same time as the act. Regulations will accord with policy in the act, which has been informed by the consultations already completed.

The act before the House has been designed to fit the unique needs of single parents in Yukon. It will provide an easy and timely process for aligning child support payments with changes in income. I urge members of the House to support this legislation and ensure that Yukon children can receive the level of support that they deserve.

As I said before, I understand from debate in Committee of the Whole and at previous readings of this bill, there is unanimous support among the parties, so I look forward to passing this bill unanimously as it is an important access-to-justice measure.

I'd like to close by thanking the staff in the Department of Justice who have done the considerable amount of work in doing the policy work behind this bill and drafting it for us to bring forward to this Legislature.

With that, I would commend this bill to the House upon third reading.

Ms. Stick: I rise on behalf of the Official Opposition to offer our support to Bill No. 58, the *Child Support Administrative Recalculation Act*. I'd like to thank the department officials for their work on this legislation.

In the debate we heard that a number of other jurisdictions in Canada have adopted similar administrative services to recalculate child support without needing to go through the costly, time-consuming and often very emotional court proceedings.

This is a good move that the Official Opposition supports — access to justice for families. It is important that children's needs, in a separation or divorce, are still being met by the parents. We understand that the recalculation service will only be applied to simple cases and that those of joint custody or unstable income cases would not be considered.

We hope in the future that this legislation will be more open to complex cases, where agreement can be found, avoiding the court process.

Mr. Speaker, before closing, I am pleased that the government, in developing this act, considered input from women's groups, from First Nations, from many Yukon stakeholder groups and the general public, and we commend that.

Mr. Silver: It gives me great pleasure to rise on behalf of the Liberal Party for Bill No. 58, *Child Support Administrative Recalculation Act*. As previously indicated, we will be supporting this bill. It will help caregivers receive fair child support payments without the financial and personal barriers of going to court.

Speaker: Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Cathers: Agree.

Hon. Ms. Taylor: Agree.

Hon. Mr. Graham: Agree.

Hon. Mr. Kent: Agree.

Ms. McLeod: Agree.

Hon. Mr. Dixon: Agree.

Mr. Hassard: Agree.

Ms. Stick: Agree.

Ms. White: Agree.

Mr. Tredger: Agree.

Mr. Barr: Agree.

Mr. Silver: Agree.

Clerk: Mr. Speaker, the results are 12 yeas, nil nays.

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

Motion for third reading of Bill No. 58 agreed to

Speaker: I declare that Bill No. 58 has passed this House.

Bill No. 65: Insured Health Services Statutes Amendment Act — Third Reading

Clerk: Third reading, Bill No. 65, standing in the name of the Hon. Mr. Graham.

Hon. Mr. Graham: I move that Bill No. 65, entitled *Insured Health Services Statutes Amendment Act*, be now read a third time and do pass.

Speaker: It has been moved by the Minister of Health and Social Services that Bill No. 65, entitled *Insured Health Services Statutes Amendment Act*, be now read a third time and do pass.

Hon. Mr. Graham: As members are aware, I said previously that the Yukon has one of the finest and most comprehensive publicly funded health care systems in Canada and I'm really pleased to inform all members of the Legislature here today that the Canadian Travellers' Report Card also agrees with me, Mr. Speaker. The Yukon was judged to be the best in all of Canada when you speak about travelling around the country. We were first overall. We were the only jurisdiction with an A. We received an A- minus. No one else even got to that state. We received an annual score of 81.2 percent. No other jurisdiction in Canada got even to 80 percent, and we were A-plus on preservation of health coverage and access to emergency health coverage.

So we're really pleased to hear that and we believe, with the changes to Bill No. 65, entitled *Insured Health Services*

Statutes Amendment Act, we'll even be regarded in higher esteem than we are currently.

One of the problems for this government was to ensure that Yukoners who are entitled continue to have access to insured health services, no matter where they may reside during the year. It was a high priority for us to ensure that our health care system is very fair. To meet both of these conditions, we need to ensure that the Yukon's health care funding is supporting services for people who are truly Yukoners and are truly entitled to publicly funded health care.

As I said a number of times during second reading and in Committee of the Whole, it's almost impossible to determine under our current legislation who's entitled legally to Yukon's publicly funded health care services, for how long and under what circumstances. We believe that this leads to significant public and administrative confusion. It also leads to unnecessary costs when people who, in reality, live elsewhere are able to access these services and benefits in the same way as Yukoners who are living here and contributing to our communities on a regular basis. For example — as I stated once before — if only one percent of the total insured population — which is about 350 people — inappropriately access Yukon health care, and if we took those people off the health care records, it would save us approximately \$2 million a year. Just imagine what we could do with that extra \$2 million. It could be redirected to enhance other areas of our health and social services system and would assist us in addressing some of the priority items that we currently look to.

We also said during second reading that our government has made a promise to be open, accountable and fiscally responsible. We felt that these legislative amendments were essential to provide more clarity about who is and who is not entitled to access and benefit from Yukon's publicly funded health care services.

As I said before, the *Canada Health Act* sets out the principles under which a resident is defined. The Yukon legislation adopted the *Canada Health Act* wording without providing additional guidelines as to how they would be interpreted. Further, we did not define and apply concepts, such as "makes their home in Yukon" and "is ordinarily present in Yukon." We decided that we should correct this situation and, in order to do that, we felt we must first of all amend the legislation to create the appropriate legal framework and authorities needed to address the details that would bring clarity to the rules of "resident of the Yukon." The second step would be to introduce regulations to be clear about what the rules are.

Having said that, the first step was to introduce this bill and bring it forward to the Legislature. The amendments that we're proposing in this bill will allow us the ability and authority to implement the second step, which is the regulations. This is the final part of the first step — amending the legislation. I acknowledge though, as legislators, we also want to know how we plan to address the major policy questions that will be included in the regulations.

I hope that during debate in second reading and during Committee debate I was able to appropriately answer through the discussion and sharing of information those major policy decisions and the directions that I propose to take in regulations.

Over the past months, Health and Social Services have been examining these major policy issues, especially on the matters of entitlement and maintenance of insured health care services.

We included — as we did on HIPMA — a huge public consultation that asked Yukoners for their input on what the basic rules should be. As I stated during second reading, Yukoners were asked: “Do you agree that a person should normally be physically present in Yukon for 183 days in any 12-month period in order to maintain Yukon health care?” Out of the 1,600 respondents, the majority — almost 80 percent — agreed. As I stated in Committee of the Whole, the number who believed that it should be six months or less was actually much higher than the 79 percent. I think that direction supported the general trend across other provinces — requiring a person to be physically present in the Yukon for 183 days out of each year.

Having taken those views into consideration, we then decided to propose in regulation a requirement for the 183 days. We’re also proposing for the regulations to allow exceptions to that 183-day period. I think that we went through most of those exceptions in Committee.

I think that we adequately explained what we intended to do — I hope that we adequately explained. We talked about indefinite leave for students attending full-time studies. We talked about indefinite leave under special circumstances for apprentices, co-op students and mobile workers. We also propose or plan to do in regulation a 12-month leave for employment or business-related activities. We will provide an option for extension. We also did propose a two-year for missionary work, charity work or volunteer work outside of the territory, or even outside of the country.

Some Hon. Member: (inaudible)

Hon. Mr. Graham: My colleague is going to do some volunteer work very shortly I hope, Mr. Speaker.

While we also said that vacations would be limited to 183 days of the year, we made exceptions to that too. We will allow three-week vacations that wouldn’t count toward that 183 days at any time during the remaining part of the year.

So, I hope that I was able to adequately discuss and explain the things that we will provide in regulation and we will be bringing those forward in the very near future. I look forward to everyone agreeing with this bill.

Ms. Stick: Mr. Speaker, I rise on behalf of the Official Opposition to speak to Bill No. 65, the *Insured Health Services Statutes Amendment Act*. We will be supporting this legislation and are looking forward to seeing the regulations that will accompany this in the spring of 2014.

The devil is in the details and we will be looking for assurances that the questions raised and the commitments made are addressed in that. I want to thank staff from the

department that have been working on this and now are looking at bringing in new or amended regulations.

In reviewing the legislation and considering what will be included in the new or amended regulations, I believe that a public awareness and education strategy will be critical. It is important for Yukoners to understand their rights and their responsibilities. Too many of us assume that we are covered for our health care needs simply because we consider the Yukon home. Understanding that there are limits in terms of time away from the Yukon, residency, changes in personal information, et cetera, is important for Yukoners to understand and to be able to easily report. No one wants to be without health care coverage.

We understand that for every rule or regulation, exceptions can be found that no one has thought of or anticipated. An easy appeal process that allows for decisions to be made in special cases is critical to continued coverage. We are pleased to hear commitment to that appeal process and it will be good to see clear steps a person can follow when disagreeing with a decision laid out in these new regulations.

Again, the NDP will be supporting this legislation. We look forward to reviewing the new and amended regulations in the spring of 2014 and thank the department for their work on this bill and their ongoing work on regulations.

Speaker: Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Order please. Mr. Clerk, please poll the House.

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.

Mr. Elias: Agree.

Ms. Hanson: Agree.

Ms. Stick: Agree.

Ms. White: Agree.

Mr. Tredger: Agree.

Mr. Barr: Agree.

Mr. Silver: Agree.

Clerk: Mr. Speaker, the results are 16 yeas, nil nays.

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

Motion for third reading of Bill No. 65 agreed to

Speaker: I declare that Bill No. 65 has passed this House.

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair (Ms. McLeod): Order. Committee of the Whole will now come to order.

Committee of the Whole Motion No. 6

Hon. Mr. Cathers: I move:

THAT Joanne Fairlie, chair of the Yukon Development Corporation Board of Directors; Greg Komaromi, president and chief executive officer of the Yukon Development Corporation; Piers McDonald, chair of the Yukon Energy Corporation Board of Directors; and David Morrison, president and chief executive officer of the Yukon Energy Corporation, appear as witnesses before Committee of the Whole from 3:30 p.m. to 5:30 p.m. on Tuesday, December 10, 2013 to discuss matters relating to the Yukon Development Corporation and the Yukon Energy Corporation.

Chair: It is moved by Mr. Cathers:

THAT Joanne Fairlie, chair of the Yukon Development Corporation Board of Directors, Greg Komaromi, president and chief executive officer of the Yukon Development Corporation, Piers McDonald, chair of the Yukon Energy Corporation Board of Directors, and David Morrison, president and chief executive officer of the Yukon Energy Corporation, appear as witnesses before Committee of the Whole from 3:30 p.m. to 5:30 p.m. on Tuesday, December 10, 2013 to discuss matters relating to the Yukon Development Corporation and the Yukon Energy Corporation.

Are you prepared for the question? Are you agreed?

Some Hon. Members: Agreed.

Chair: The yeas have it. I declare the motion carried.
Committee of the Whole Motion No. 6 agreed to

Chair: We are going to proceed right now with Bill No. 66, entitled *Act to Amend the Placer Mining Act and the Quartz Mining Act*.

Do members wish to take a brief recess?

Hon. Mr. Kent: Madam Chair, given the time left until officials from the Yukon Development Corporation and the Yukon Energy Corporation are going to appear, may I suggest just a five-minute break at this point, because I know that we'll have to recess again shortly to allow for those officials to take their spot as witnesses.

Chair: A five-minute recess is in order. Thank you.

Recess

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

Bill No. 66: *Act to Amend the Placer Mining Act and the Quartz Mining Act*

Chair: The matter before the Committee is Bill No. 66, entitled *Act to Amend the Placer Mining Act and the Quartz Mining Act*.

Hon. Mr. Kent: I know that we did go through second reading on Bill No. 66 last Thursday, and I'm looking forward to, of course, the work that we're going to undertake during Committee of the Whole.

There are a few things that I'd like to just highlight with respect to these act amendments — just going through some of the aspects that were identified by members opposite during second reading as well as another reminder, even going back a little bit, of what has brought us to the act amendments from a chronological point of view with respect to where we are at here today.

The *Quartz Mining Act* and the *Placer Mining Act* are, as we know, long-standing statutes that provide a well-understood framework for mineral exploration, development and production in the territory.

The Yukon government does not believe the amendments we're discussing today trigger the provision of Appendix B of the devolution transfer agreement, and further, we do not agree that this work requires formalization through the successor resource legislation working group.

All resource management regimes require ongoing update and improvement, including amendments to legislation and regulations, new and amended policy direction and improvements to procedural aspects. But, just because our mining legislation needed some amendments to address a court order — as is the case that we're dealing with here today — this doesn't imply that the entire regime needs to be replaced. That is an inaccurate premise that would create complete uncertainty for everyone every time a court decision was issued.

Steady improvement and adaptation is far better than completely overhauling the rules. There is no basis for a complete overhaul of legislation, since the current legislative framework for mining in the territory is similar to regimes used in many of the other jurisdictions elsewhere in Canada. It is important that we remain competitive, not only with other jurisdictions in Canada, but also in jurisdictions around the world as we are all competing for the same investment dollars to sustain our very important mining industry.

As I will get into, the Yukon's mining legislation has been updated regularly and, in some areas, substantially. Our government has undertaken a number of initiatives since 2006 to ensure that mining legislation is reflective of changing priorities, legal requirements and improvements to management.

A wholesale revision of the mining acts would not support the economic well-being of our territory. This is especially evident during the current time when this industry is challenged to provide the positive economic and social benefits it has provided to Yukon and Yukoners for over a century.

The fundamental regime established in the mining legislation is not broken. It's not inconsistent with First Nation final agreements and — as it has for over the last 100 years — it has supported the growth and development of our territory. The changes that have been directed by the Yukon Court of Appeal do not mean that the free-entry system is incompatible with either First Nations final agreements or Yukon's legal obligations to consult with First Nations. It's not our view that government should control, regulate and oversee every aspect of where people can and can't go and what they can and cannot do. If that view were to be taken with the mining industry, then it could be applied to every aspect of society. The *Umbrella Final Agreement* and the First Nation final agreements recognize and were designed around Yukon's public statutes, including the *Quartz Mining Act* and the *Placer Mining Act*. Again — just to repeat — the mining statutes aren't at odds with the final agreements. This is apparent in the definitions of category A and category B lands, access provisions, royalty sharing provisions as well as other aspects.

We consistently hear that free-entry implies that mining is the first and best use of the land, irrespective of any other economic interests and values. This is certainly not the case. Free-entry simply means that the rights to the mines and the minerals can be acquired by an individual acting on his or her initiative. It doesn't prevent others from holding a surface interest in the lands. The proof of this is how active all of our economic interests are — from tourism to big game outfitting, to agriculture and forestry — in a territory that has had an active mining industry for over 100 years.

Yukon has advised First Nations that we can meet to discuss priorities for the development of new resource legislation in general, but not simply for mining.

Our government continues to be willing to meet with First Nations to discuss these priorities and how this work may proceed. We fully understand our responsibility in relation to the Ross River Dena Council court decision.

Madam Chair, among other things, it obliges Yukon to consult with the RRDC to determine whether or not mineral rights on Crown land within the Ross River area are to be made available to third parties under the *Quartz Mining Act*. This is the declaration of the Yukon Court of Appeal that the Yukon government did appeal to the Supreme Court of Canada and we were refused that appeal in September of this year. However, consultation is underway on this item and, as I've mentioned during Question Period and during other debate, we continue that consultation as being led by the Executive Council Office, and progress on a government-to-government basis with the RRDC is continuing to be made.

The Government of Yukon must also notify and, where appropriate, consult with and accommodate the Ross River

Dena Council before allowing any mining exploration activities to take place within the Ross River area. This, of course, is done to the extent that those activities may prejudicially affect the asserted aboriginal rights claimed by the Ross River Dena Council. The statutory amendments presently before the House will facilitate such consultation in relation to class 1 activities. The current legislative regime already enables notification and consultation at other levels of mining exploration activity. This is accomplished through statutes such as the *Yukon Environmental and Socio-economic Assessment Act*.

Madam Chair seeing the time, I move that we report progress on Bill No. 66, entitled *Act to Amend the Placer Mining Act and the Quartz Mining Act*.

Chair: It has been moved by Mr. Kent that the Chair report progress on Bill No. 66, entitled *Act to Amend the Placer Mining Act and the Quartz Mining Act*.

Motion agreed to

Appearance of witnesses

Chair: Pursuant to Committee of the Whole Motion No. 6 adopted on this day, Committee of the Whole will now receive witnesses from the Yukon Development Corporation and the Yukon Energy Corporation. In order to allow the witnesses to take their places in the Chamber, the Committee will now recess and reconvene at 3:30 p.m.

Recess

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

Pursuant to Committee of the Whole Motion No. 6 adopted on this day, Committee of the Whole will now receive witnesses from the Yukon Development Corporation and the Yukon Energy Corporation.

I would ask all members to remember to refer their remarks through the Chair when addressing the witnesses and I would also ask the witnesses to refer their answers through the Chair when responding to the members of the Committee. I would also ask the witnesses to indicate who will be responding so that I can recognize you for purposes of Hansard.

Mr. Kent, I believe you will introduce the witnesses.

Witnesses introduced

Hon. Mr. Kent: Yes, the witnesses appearing before Committee of the Whole today are Joanne Fairlie, chair of the Yukon Development Corporation Board of Directors; Greg Komaromi, president and chief executive officer of the Yukon Development Corporation; Piers McDonald, chair of the Yukon Energy Corporation Board of Directors; and David Morrison, president and chief executive officer of the Yukon Energy Corporation.

Chair: Thank you. Would the witnesses like to make an opening remark?

Ms. Fairlie: Madam Chair, it is our pleasure to appear this afternoon to represent the Yukon Development

Corporation and the Yukon Energy Corporation. As Minister Kent mentioned, the Yukon Development Corporation and its subsidiary, the Yukon Energy Corporation, are responsible for providing Yukoners with safe, reliable and cost-effective electrical power, both now and for the future. We are also responsible for supporting government in the achievement of its energy policy objectives and for assisting as needed with the development of those objectives. The Yukon Development Corporation and the Yukon Energy Corporation take these responsibilities seriously, and we are working to fulfill our responsibilities in an accountable, efficient and cost-effective manner.

As you are aware, the government has requested that YDC conduct research and planning to identify priorities and options for the location and financing of new hydro development for government's consideration. This includes identifying the financial, human and other resources that YDC expects to require in order to accomplish this work, along with a workplan with interim deliverables and timelines. We are very pleased and excited by this request and are in discussions with the Yukon Energy Corporation to develop the workplan within the 90-day timeline.

I am very pleased today to have Mr. McDonald and Mr. Morrison with me, and we are very open to accepting questions.

Mr. Tredger: I'd like to welcome the officials from the Yukon Energy Corporation and the Yukon Development Corporation to the Legislature. I look forward to a conversation and questions.

I want to begin by thanking the boards of the Yukon Development Corporation and the Yukon Energy Corporation for their work at this very critical time in our history. One of the most challenging issues of our time revolves around energy — how we produce it and how we use it.

World scientists and governments have recognized that climate warming must be held to under two degrees if we, as a race, are to avoid catastrophic changes to our planet resulting from climate change. The Intergovernmental Panel on Climate Change is the leading international body for the assessment of climate change. Their report in September recognized a main contributor to climate change as our burning of fossil fuels. The IPCC went on to declare that, if global warming is to be held to under two degrees, much of the world's current proven carbon-based resources — coal, oil and gas — must be left unburned and that the sooner the conversion of our society from carbon-based consumption to renewable green energy sources, the more chance we have of avoiding such catastrophic events.

Madam Chair, public awareness is increasing, understanding the real cost to society and awareness that we must change our habits. I noted with pleasure that the YEC is working with Northern Climate Exchange to gather information on expected impacts of climate change on the glaciers that feed our hydro systems. As the true costs of burning carbon-based fuel becomes apparent and is costed into our economic markets, businesses and economies that use renewable energy will have a distinct advantage.

In the Yukon, we are very fortunate to have the legacy of a hydro system started over 40 years ago. We had a cushion. This cushion is running out.

Now we must come to grips and look for new renewable energies. When we look at Yukon's contributions to global warming, the majority of our contributions to greenhouse gases comes through space heating and the transportation sectors.

Now is the time to develop and put in place renewable sources of energy — hydro, solar, wind, geothermal and other emerging sources of electricity. Now is the time to build our capacity and position ourselves and our businesses to take advantage of current and emerging technologies — technologies that might include electrical vehicles, electrothermal storage, area heating and geothermal. Now is the time to encourage, to engage and to work with all Yukon people to tap into our natural resources and into the greatest resource we have — the people of the Yukon.

We in the NDP offer support to the boards of the Yukon Development Corporation and the Yukon Energy Corporation as they look to our current and future energy needs of the Yukon people and the Yukon economy. I thank them for the work that they're doing.

A number of years ago — I think it was in 2009 — the Yukon Development Corporation was ordered by the Yukon Utilities Board to pursue a joint demand-side management plan. I understand that now the YEC and the YECL presented their joint demand-side management plan to the Yukon Utilities Board in November.

Could the guests share a general overview of the plan and indicate whether or not space heating and hot water heating were addressed in the plan?

Mr. Morrison: I'm not going to do a very comprehensive job of talking to you about the plan. It's a very detailed and comprehensive document, but the plan is comprehensive, lays out both starting phases of demand-side management and focuses on what the utilities and the experts that we brought in to help us develop the plan would say is a comparable plan to other jurisdictions, as they've started the process. Like everything else, nothing is the whole picture at the very beginning. We couldn't start and do everything that everybody else possibly does on demand-side management right from the very beginning, and we have to look at the costs of these things.

I would say that, specifically, the plan is focused at being customer-centric, dealing with things like lighting, which is a big — when we did the — I have to think for a second what we called it — conservation potential reviews. So before we actually developed the plan, we developed a baseline that would look at all the different areas within Yukon society where we might save the most energy. From doing that study and from looking at the examination of loads, lighting is a very big aspect of energy use within the territory, particularly in the commercial institutional sector. So we have a number of programs focused on that. We have a number focused on things like plugins and hot water heaters — all of those are

very specific programs that will get energy consumption down.

In the space heating market, there are two distinct areas. One is oil-fired space heat, where there's not a lot of room to save electricity. Although all that equipment does use some electricity to obviously operate it, the main fuel in the Yukon is either diesel fuel or propane. There is a space heating component in electric heat. Unfortunately, the construct of most of the commercial multi-residential buildings and commercial office buildings doesn't have the ability to switch to a different fuel, because they've been built on electric heat.

So heating — the advice that we got and the testimony that the board heard — was not an area where you would start a demand-side management program. That's an area where you might move to. There are a couple of different constructs of those types of things. You can think that, as the honourable member mentioned earlier, the space heating area is an area that has some issues around greenhouse gas emissions, so we could move to electrify that, but that would increase consumption of electricity significantly. So there's a bit of a balance in trying to make sure the system can serve the needs that it has and meet government's climate change policies and energy strategy — so we try to do all of that.

I would say the plan is a very comprehensive and very ambitious plan for Yukon to take on. The Yukon Utilities Board is now considering that plan and we'll hear from them, I would think, in the next few months.

Mr. Tredger: Yukon Energy is currently implementing year one of a five-year conservation plan in partnership with the Yukon Electrical Company. This past spring, the witness for Yukon Energy informed this House that the corporation had not yet completed work to establish evaluation criteria or verification tools for utility-led electricity conservation programs — or demand-side management.

Now that the plan is being put forward, are benchmarks and measurement systems in place for the next five years to ensure that demand-side efforts are effective?

Mr. Morrison: Unfortunately, we were here at the time those elements of the plan hadn't been completed, but they have been subsequently completed and have been filed as part of the demand-side management program with the Yukon Utilities Board. There is a very comprehensive plan to do evaluation verification and measurement of all of the efforts around demand-side management and for reporting to the Yukon Utilities Board on the progress made on all of those elements of the program.

Mr. Tredger: Some jurisdictions in other areas have achieved as much as a 20-percent reduction in energy costs. When we talked it about it in the spring, the guest mentioned that it's sometimes necessary to change habits and in order to change habits we need to incentivize the situation.

I'm wondering, in the order of things, who is responsible for providing incentives to consumers to change their habits, to go to off-peak hours and to invest in more energy-efficient equipment? Would those incentives come from the Yukon

Development Corporation, the Yukon Energy Corporation or from the Yukon territorial government?

Mr. Morrison: In terms of the plan submitted to the Yukon Utilities Board, there are some elements of the plan that deal with incentivizing consumers to change their behaviour. One of those areas that I talked about earlier was around some lighting. Obviously, you know, people's behaviour doesn't change overnight, so there is another part of the plan that deals with education. So together — education and some incentives and time — we hope to be able to get people to change their behaviour significantly.

The plan itself and all of the elements of the plan that relate to incentives are budgeted as part of the costs of the plan and they will come from Yukon Electrical and Yukon Energy as they relate to the program itself. All of that, including all of the costs of the plan and the incentives, as well as education and training, are all part of the detailed submission made to the Yukon Utilities Board.

Mr. Tredger: In the spring, the guest mentioned they were working very closely with the Department of Education to try to get what we call an energy dashboard program into schools this fall. They were hopeful they would be able to do that. Has that happened?

Mr. Morrison: It hasn't happened as yet. Staff is still working with the Department of Education on developing this program. Sometimes things seem easier than they really are. We've just had to work through a number of steps to get the program into place, but we're still working on that program.

Mr. Tredger: Yukon Energy and Yukon Electrical plan to spend up to \$6 million helping customers cut back on their power use. If YEC's demand-side management efforts are successful, they will result in reduced energy sales for Yukon Energy. Given this potential loss of revenue, how will YEC ensure the long-term viability of its demand-side management efforts?

Mr. Morrison: Madam Chair, just to clarify — Yukon Energy in one sense might lose some sales as people reduce their consumption but, at the same time, the benefit on the generation side has a greater cost benefit than the sales themselves. If we have to supply new generation to meet growing sales, the assessment and the economic assessment done on demand-side management show that it's a cheaper kilowatt hour that you get by saving a kilowatt hour than by building new generation to meet new loads. That's where the cost delta is. It's between the cost of new supply versus the cost of saving power from existing customers.

Mr. Tredger: In order to achieve the goal of reducing diesel generation costs, YEC could focus its demand-side management planning and activities on shifting loads to reduce peak demand and fill low-demand periods. This would reduce diesel generation and maximize renewable energy.

In other jurisdictions, smart metering, time-of-use rates and devices that can be installed in homes to control hot water heaters are some examples of technologies and strategies that have been used successfully in other northern jurisdictions to manage loads.

How is YEC planning to integrate load management into its demand-side management efforts in the near and medium term?

Mr. Morrison: I have a couple of preliminary thoughts on that before I specifically address the question.

We have developed this demand-side management plan in conjunction with Yukon Electrical and through looking at what other jurisdictions have done and how other jurisdictions have implemented demand-side management. What we are told by those people who have been involved in most of the demand-side management implementation across this country is that starting with trying to attempt to do things like manage the peaks or peak-shaving is not what anybody in the country has been able to do. There are a lot of jurisdictions today that still can't do it and they've been doing these kinds of things for a long time.

There is no doubt that trying to manage the peaks and valleys in a system is a beneficial objective. There are a couple of issues that we have to face before we get to that. First of all, the system doesn't have a smart meter system. A vast majority of the meters in the territory belong to Yukon Electrical, which is the main distribution utility. It's not that Yukon Energy doesn't have a few distribution customers on its own, but the vast majority are customers of Yukon Electrical. They have a proposal in front of the Yukon Utilities Board to put in an AMR meter system, but whether that could in fact do what a smart meter needs to do to incentivise time-of-use rates and things like that, I'm not certain at this point in time.

Smart meters are prevalent in very few jurisdictions in Canada. Certainly Ontario has had the longest experience with them, particularly the City of Toronto and Toronto Hydro. British Columbia has been rolling out a smart meter program for the last few years and I think there are another one or two provinces looking at it. It is not something that is prevalent in a majority of jurisdictions across the country.

The whole ability to reduce energy has to be a thoughtful process from beginning to end. Looking at just bringing down the peaks and moving it to other times may push us into diesel at other times of the day. It depends on what the loads look like. If we're looking at programs that will smooth things out but increase consumption, we also have to determine how that will impact our use of energy and whether or not it's going to increase loads at a higher rate than we might be prepared to deal with.

There are a lot of complex questions around that, but Yukon doesn't have a smart meter grid. This step by Yukon Electrical, I think, is a step in the right direction, but it isn't the final answer.

Mr. Tredger: What I'm trying to determine is — we are using diesel in peak periods and the concern is that we develop something in the meantime, because the newest renewable energy source that I've heard about is two to three years away and sometimes mentioned as being 15 to 20 years away for a more major project. So we have this period of time in the next two years where any efforts we can do to shave, as it were, the electrical consumption or round out the curves

will have added benefits and certainly keep us from using as much diesel.

YEC's planning for winter renewable energy to date has focused almost entirely on its current hydro and diesel system. The system continues to face challenges, which may be addressed with a serious effort to diversify winter renewables. For example, YEC could fully utilize winter renewable energy if homes were fitted with electrical backup heat in the form of electrical thermal storage units, also called ETS.

The YEC/YECL demand-side management plan includes sections on electrical thermal storage. ETS units can be programmed to draw electricity at night during off-peak hours when the diesel generators are less likely to be running so it can help reduce diesel consumption. The ETS technology is available for any size of building, so they could easily be used to outfit commercial buildings. The last time you were here in May, you were uncertain of the technology called electrical thermal storage and how it could be used to shave demand peaks and fully utilize intermittent renewable energy sources such as wind energy.

Has Yukon Energy made any efforts to encourage the use of ETS units? How is the demand-side management plan going to integrate ETS into our present grid?

Mr. Morrison: Yukon Energy has a very comprehensive planning process that I think we've talked about at some length in committee — the last time we were here and I think at other times in the past. That process tries to balance, as best it can, demand with the opportunities that we have to meet that demand and the options we have. We've gone through a lengthy process over quite a few years, examining all the various renewable options that we have to bring forth to meet load growth and demand management as the system grows.

We have talked about it in the past and we are ready to move forward in fairly short order — given that certain things materialize as they continue to be — to look at small hydro enhancements at Mayo Lake and Marsh Lake. Those would provide great winter power benefits to the system that already exists. We have completed extensive wind studies at Ferry Hill at Tehcho, which would now give us the opportunity to build a variation of wind from one or two megawatts all the way to 20 megawatts. All of those could be integrated into the grid.

Whether we go ahead with any project or not depends on what the load looks like and when the load is there, and in past years our load has been growing. We're still seeing load growth. But we've seen some step-back in that load growth in the past year when we lost Alexco as part of a load. We still see load growing as we go forward. We think demand-side management will take a good chunk of that load growth and help with that. This whole question of electrothermal storage is not only not something that Yukon has a great deal of experience with, it's also something that, I would say, a lot of other jurisdictions don't have a great deal of experience with. We are looking into the issue.

We have talked to the Yukon Utilities Board about consideration of electrothermal storage as an option down the

road in the demand-side management program, but be clear about a couple of things: electrothermal storage means people in their individual houses and buildings must convert their existing systems to this new form of heating load. In addition to that, it is very electrical-intensive. Loads overall would increase, but they may flatten. So we'd have to be, as I mentioned in earlier answers, very careful about whether or not we're shifting the problem from peaks to a different time of day, because we don't have an unlimited supply of energy all day long.

We are looking at it. I can't tell you when we would have more information on it, but we are considering the question and looking at it. It is going to be a project much like demand-side management that requires peoples' attitudes and lifestyle changes and they're going to have to make some investments because it is not inexpensive technology.

Mr. Tredger: ETS can be integrated into a grid for heat storage without the use of a smart meter. Alaska Electric Light and Power, the power utility that serves Juneau, has been shaving load peaks and making their grid more reliable by simply having the ability to remotely turn off hot water heaters in whole subdivisions. Juneau has been doing this since the 1950s.

Now that YEC and YECL are working together to implement a demand-side management plan, would you consider taking advantage of the opportunity to do a system-wide grid load management in a more comprehensive manner? I guess a second part of that question is — I referred to it earlier — who would be responsible for incentivizing such a program? You mentioned the cost of electrothermal storage and the units.

Would that cost be borne by Yukon Development Corporation — should you choose to go ahead with it — or Yukon Electrical Company, or would it have to come from Yukon government?

Mr. Morrison: I'll answer the first part and I'll answer on behalf of YEC. The whole issue of a smart meter versus an automated meter — there are varying degrees of all of these kinds of technology out there. Just to remind you of what I said earlier, there is no ability to do any of that right now — none. We have no ability to turn things off and we have no access to anything. These are digital meters and all we do is read them. Quite frankly, we read them manually right now. We send somebody out, they look at the numbers, they write them down, they have a record of the previous month and they know what the difference is. So the system itself has no ability to do any of that. To turn people's equipment off in their house or not, you'd need much more sophisticated metering than we have now — maybe not a smart meter that somebody else might think is a smart meter, but you'd have to have a meter that is SCADA-connected to people's equipment. I think if you look at even the automated meter-reading equipment that Yukon Electrical is trying to put into the system at the moment — and we'll see what the Yukon Utilities Board has to say about it — I have no knowledge whether that could do what the member was suggesting earlier.

These are individual people's heating systems — this electrothermal storage in commercial buildings and houses. This would not be something that Yukon Energy Corporation would be looking at incentivizing at all.

These are thousands of dollars. In our demand-side management program, we are talking about incentivizing lights, timers and things like that. These are not high-cost items. I don't think that the high cost of an electrothermal storage system would be something that we could incentivize, certainly not in any significant way.

It would take a very significant education program to change people's way of thinking about their own heating system. I don't know whether or not these systems are even economic. If you change your system, I have no idea whether or not there's a savings, and I'm not sure people would do it if there was no savings for them. We continue to look at it, but I don't know at the moment if we can do what the honourable member is asking.

Mr. Tredger: Speaking of technology, my colleague just showed me that electrical thermal storage is a proven electric heating system that works with Nova Scotia Power's time-of-day rates. It is a relatively new heating concept in North America but not a new technology. It has been used successfully in Europe for more than 40 years.

I'm not saying that changing our habits will be easy, but as I alluded to in my introductory comments, we are facing a situation on our planet today where some very, very tough decisions are going to have to be made. The cost of burning diesel is becoming excessive for the future on the planet. When I look at the Yukon, space heating and transportation are two areas that we can make a huge difference in.

If we do go ahead and develop hydro so we have a plentiful supply, or if we develop wind or other forms of renewable, be it electric or various options, then we can start to address some of our heating costs and the transportation costs.

It's critical at this juncture and time that we as leaders show that it can be done and that we make the tough choices now. As the Intergovernmental Panel on Climate Change said, sooner or later, if we are going to survive, we need to make those choices, and the longer we wait, the harder they become.

What I'm encouraging, or trying to get through in my line of questioning, is that we do have to make some tough choices and, yes, some of them will be expensive, but not as expensive as not making the choices.

There is considerable potential of a central utilities management system that would allow energy use by public buildings to be measured and reported. Right now, it seems there is no reliable utilities management system in place. This is a big barrier to improving the energy efficiency of government buildings.

The Yukon cannot benefit from most federal funding programs to improve energy efficiency of buildings unless this system is in place. The current Yukon government utility bill is more than \$12 million annually. It could be as low as \$8 million with effective energy management. Will government

buildings be part of a comprehensive system? If not, is there a plan to include government buildings in the future?

Mr. Morrison: I'm not certain what the member is referring to.

Mr. Tredger: I'll go on to another question.

Yukon Energy has committed to helping communities, organizations and government agencies who want to develop energy conservation projects, programs and policies. What financial resources will be dedicated to these efforts and how are they being coordinated and evaluated?

Mr. Morrison: Sorry, Madam Chair, can I get the question again please?

Mr. Tredger: Yukon Energy has committed to helping communities, organizations and government agencies who want to develop energy conservation programs, projects and policies. What financial resources will be dedicated to these efforts and how are they being coordinated and evaluated? I believe that would be part of the educational component.

Mr. Morrison: Sorry, I just didn't get the whole thing.

Two things — let me go back. This utility management system that the member talked about earlier — I don't know of any specific plan, so what I was trying to get at was is there some — I didn't really understand the question. I don't really understand if he was asking do we have such a system or do we not have such a system? So just to clarify that.

The energy conservation programs are part of the education piece. The member is correct that the demand-side management program has it. We will be talking to communities to see if, in each of the communities, there are programs that we can encourage community leaders and community stakeholders to look at and to bring forward. We will do our best to see whether or not we can fund those programs out of our existing budget if they're locally based.

One of the imperatives from Yukon Energy's point of view is that this is a Yukon-wide program. It can't just be a Whitehorse-centric program. We will be, through our existing staffing of the demand-side management program, working with communities as best we can to initiate programs in all of the communities.

Mr. Tredger: Two years ago, Alexco conducted an energy audit and achieved considerable savings. I believe they were working in conjunction with Yukon Energy Corporation and it was a very successful project. Recently completed, Capstone is also conducting such an audit. Given the success of the program, would the Yukon Development Corporation consider ensuring that it is part of any industry application to excess grid or YEC electricity?

Mr. Morrison: Yes, we have not only undertaken industrial energy audits with Alexco and recently completed one with Minto, we have also worked with the City of Whitehorse to do one for the City of Whitehorse. That initiative is very much in our minds when we talk to large-scale or industrial customers looking at coming on to the grid. If we have an opportunity to do those audits pre-development, we think we can save even more energy, benefitting both the generating utility here and the customers themselves.

We don't have it written down anywhere, but we, as a matter of course, make that part of any energy discussions we have with customers.

Mr. Tredger: Thank you to the witness for that answer and for pursuing that.

Last spring, the witness said that large hydro projects present a significant challenge and risk for Yukon Energy as a small utility with a small ratepayer base. The witness said that experience has shown that planning and development costs can be about 10 to 15 percent of the cost of a whole project. For instance, the witness pointed out that, for a \$100-million project, \$10 million or \$15 million would be for planning and development. Much of this amount goes to feasibility studies to determine whether or not a given proposed project will face major environmental, technical or engineering problems.

Diversifying renewable energy sources across smaller projects would seem to be a good way to gradually build up a diverse and secure renewable energy portfolio. The witness went on to mention a number of projects that they had been looking at and developing proposals for, with the intent to get them to match the anticipated demands, depending on where the demands were expected to be. He cited some smaller projects, such as Mayo Lake and the Southern Lakes water storage process, all the way to Hoole Canyon, which is a very big one.

The witness said that YDC had been doing that as part of normal business. This spring, or just before the sitting, the Minister of Energy, Mines and Resources announced that he was tasking the YEC to — what looked like to the same activity that was a normal course. If he's asking YEC to do more and — given the figures that the witness had pointed out, \$10 million to \$15 million for \$100 million project — did the minister's request come with some financing for that? How would it differ from the normal course that the YEC does, proactively looking at future sources?

Hon. Mr. Kent: As I mentioned at the start of this sitting, we did put forward a motion that led to a directive being given to the Yukon Development Corporation. That directive has been given. There are a number of tasks that need to be completed. The Development Corporation has had 90 days from the issuance of this directive to come up with a plan with respect to the human and financial resources that they would require to conduct the actual study itself.

From there, there are a number of other aspects that members can find in the OIC including: evaluation of the expected growth in residential, commercial and industrial demand; a plan for scalability that the member opposite referenced; assess the project's financial needs and risks and evaluate options for project financing and financial risk mitigation; determine the anticipated positive and negative socio-economic and environmental effects of the project and develop specific means of maximizing its benefits, minimizing its adverse effects and mitigating any unavoidable negative impacts; in respect of the effects referred to in the previous paragraph, have particular regard to the impacts on and opportunities for the First Nation or First Nations in whose traditional territory the project may be located; engage

with First Nations to explore options for project location as well as opportunities for partnership and project planning and execution; and consider one or more specific, possible locations for the project, taking into consideration the above criteria as well as proximity to the existing and expected future customer base.

As I mentioned, the Yukon Development Corporation is tasked with delivering its plan for the project as a written report to the minister at a date to be agreed upon by the minister and the corporation and include, as a component of that report, the business case for the project. As I mentioned, with respect to the planning resources and communication, that is directed to be done within 90 days after the date of the directive. In my conversations with the chair of the Yukon Development Corporation, the president and CEO, they have informed me that they expect to meet that 90-day timeline for the initial work plan for the planning of the project.

Mr. Tredger: I understand and I have read the directive from the Minister of Energy, Mines and Resources. My question for the witness was: how does that differ from the normal course of business?

Hon. Mr. Kent: I thank the member opposite for the question but, as stated, this is a written directive that's pursuant to section 6(1) of the *Yukon Development Corporation Act*, where the Commissioner in Executive Council ordered as follows — what I read into the record — the attached hydroelectric power planning directive is made.

We've given direction to the Yukon Development Corporation to lead the research and planning of what is an exciting opportunity for Yukoners — when we look to enhance the clean power and the hydroelectric capacity of the territory's electrical system.

Again, this is a directive issued by the government to the Development Corporation so they can begin the research and planning for a scalable hydroelectric project for the territory.

Mr. Tredger: I guess we're not going to get the witness to answer that one.

Yukon Energy Corporation has committed to developing a Yukon First Nation partnership and investment plan to assist in building new energy projects. In particular, the proposed new hydro projects will involve partnerships and options for the location and financing of new hydro development for government's consideration.

As well, I know a number of municipalities are looking for revenue-generation projects, and we just heard of one in Watson Lake.

Can you outline YEC's role in identifying the locations and developing these partnerships, as well as an investment plan in collaboration with Yukon First Nations?

Mr. Morrison: Yukon Energy has a long history of partnerships with First Nations on energy projects: the Mayo-Dawson line and, most recently, the Mayo B project. Both involved partnerships with those First Nations in whose traditional territory the projects were located. We are currently having discussions with both the Kwanlin Dun First Nation and the Ta'an Kwäch'än First Nation regarding a partnership in the most recent project we've put forward — the LNG

project for the gasification of engines at the Whitehorse generating station.

We look at each of those and we look at each of our projects on an individual project-by-project basis, and, depending on the project itself, which First Nations' traditional territories are involved and which First Nations may be interested in participating in discussions around partnership on the projects. We look at it case by case. We continue to discuss with our partners a partnership agreement and, at some time in the near future, I would hope we would conclude that partnership.

Going forward on projects that we have within Yukon First Nation traditional territories, it's our practice to deal with those for each of the projects. So if we were building a hydro project and looking at, say, Moon Lake as an example, we would be talking to the Carcross-Tagish First Nation and other First Nations that might be involved in that. That's how we would continue to progress on a project basis.

Watson Lake is not a project that we're involved in. It's a project that, as I understand it, has a partnership between the Town of Watson Lake, Yukon Electrical and the Kaska or the Upper Liard First Nation. It's not a project that Yukon Energy is involved in.

Mr. Tredger: Last spring, the witness for Yukon Energy said, and I quote: "We have to find a way to minimize the costs, so the ratepayers don't have a large hydro project, and then there's an economic downturn and there are no customers, which is what happened at Faro."

Last spring, the witness said that Yukon Energy is trying to advance several hydro projects as part of its internal strategy for hydro development. The government recently announced that it had directed the Yukon Development Corporation to plan one or more hydroelectric projects that will meet the expected growth in the demand for electrical power. The minister went on to say that it will take 10 to 15 years before these new hydro projects are operational. In a recent *Globe and Mail* interview, the Premier said that the goal is to build a new dam — building a new dam will set us up for the next 50 to 75 years.

Does the YEC agree with the Premier's assertion that the initiative will involve one big dam or that it may include one or more smaller projects?

Hon. Mr. Kent: Perhaps these would be better addressed to me during Energy, Mines and Resources Committee of the Whole, but I'm happy to answer them now. This is a directive from the government to the Yukon Development Corporation to begin the research and planning for one or more hydroelectric projects in the Yukon Territory.

I've said on the floor of this House that we expect that we will be seeking funding partners. The federal government comes to mind, because we believe this is a project of national interest. We believe this is something that will not only benefit Yukon but could benefit Canada, as well as perhaps Alaska.

That is what we directed the Yukon Development Corporation to do. I would beg the member's indulgence in some patience. We are engaged right now in the 90-day

workplan to identify the human and financial resources to conduct the research for this project and then, once that research and planning is done for the project, we'll be in a better position to answer the member opposite with this question.

Mr. Tredger: There have been some flooding problems below the operation of the turbines at Mayo B and Mayo A, which first appeared during the construction of Mayo B and have continued each winter since.

This spring, the witness affirmed the flooding was not caused by the Mayo B project; however, residents continue to be concerned that next year the company may decide to increase flow and thus threaten the town once again. Recently YEC and the Yukon government — and I believe the Department of Fisheries — have undertaken a hydrology study of the river below the dam. I would ask a couple questions around that.

When will we see any results from that? How much is it going to cost? Why wasn't such a study conducted before the dam was built?

Mr. Morrison: Maybe just first, a little correction to the record — and if I've said this, I want to correct it particularly. The flooding on the Mayo River, at the town of Mayo, started before the Mayo B project came into production or construction. Nothing we did at Mayo had anything to do with being in the water in any way, shape or form when the flooding at Mayo started. I want to be very clear about that — absolutely nothing. During the construction of Mayo B, all of the work was done on land or through the tunnel in our existing projects, and the Mayo A plant continued to run.

Subsequent to the flooding, the Village of Mayo, the Yukon government, a number of Yukon government departments, Yukon Energy and the federal Department of Fisheries have cooperated extensively trying to determine what the cause of these flooding events is and has been. There have been a number of mechanical efforts taken to do some work in the river. The permit to do that work was given by Fisheries on a temporary basis, as I understand it, so the work that was done had to be undone come the spring or summer, and then redone again in following years.

The village, Yukon Energy and the Yukon government do have an ongoing steering committee that meets on a regular basis to both monitor and discuss developments along the Mayo River. The hydraulic study is being done in relation to specific efforts to complete some work that might in the future resolve the problem. That work is being done by the Yukon government. I don't know when exactly — today I can't tell you exactly when it will be finished, but it is underway. I think it's a good, positive step to look at the whole issue of flooding on the river.

We have taken the position with all our partners on the steering group that, if we have to reduce flow in order to prevent a problem, we will do that.

We do not — and I think I've talked about this before — in terms of the Mayo River, the protocol for operating our plant and setting the ice on the river is a steady-flow protocol. In other words, we set a level — and right now that's 20 CMS

— and we maintain that level at 20 CMS. Because the flow in that river is steady, then the ice should form in a way that will not cause problems jamming the river or sinking ice to the bottom. That is very different from how we set the ice here in Whitehorse. In Whitehorse, we actually reduce the flow and when the ice front sets, then we increase the flow again. You have to look at it on the hydrology of the system that you are working within. If in fact we started to see problems in Mayo, and we thought that we could help by reducing our flow, we would in fact reduce that flow to a lower level and keep it steady. We will not arbitrarily increase our levels. We've committed to keeping them at a steady state, and we're committed to working with the Yukon government and the Village of Mayo to make sure that we're not doing anything that causes a problem with flooding in the Mayo area.

Mr. Tredger: I thank the witness for that. I'm expressing the concerns of the residents of Mayo. Whether or not Mayo B is the cause of the flooding, certainly it has contributed to it and the fluctuation in flows has contributed to it. It started to occur when construction of Mayo B was undertaken.

I hope that the hydrology study will give us further information on that and I appreciate the fact that the Yukon Energy Corporation is limiting the flow to ensure that there isn't flooding. I know that last year on the blog — and I can quote: "... this winter we are limited in terms of what we can generate from our Mayo plants because of potential flooding issues downstream. That shouldn't be the case next winter, but at this particular time we must be careful to keep water flows to a certain limit."

I hope that whatever Yukon Energy is trying to do with water flow will work. I know there are a lot of concerned people in Mayo and I know that Department of Community Services has spent an inordinate amount of money keeping that river channel clear. I'm sure they're concerned about the amount it has cost them.

Can we get full load data on Mayo A and B and the amount of power that is been produced prior to Mayo B and then after Mayo B? Perhaps for the last five years of load data so we can determine the amount of energy that is being produced at Mayo B?

Mr. Morrison: We have all the load data for all our equipment for a number of years. I won't commit to five years, because I don't know what they keep in the retention of the load information. The whole idea that we want to try to compare Mayo A to Mayo B is like comparing apples and oranges. They're very different plants.

Mayo B has produced and works to all of the levels that we anticipated it would work to and whether or not we have generated X amount out of it or B amount of it is only determined by the loads in the area, the temperature and the water that we have. This year, we have a full reservoir. Mayo B will be used as much as we can. Last spring, we reduced and reduced and reduced Mayo B because the flow out of Mayo B and therefore the use of Mayo B — because we were running out of water.

Looking at data is fine. We can produce the data, but when people are looking at that data, they should understand that there is a whole variation and a whole realm of factors that determine how we run our engines when we run our plants and they're determined on a day-to-day basis almost by looking at the water; by looking at loads; by looking at temperatures and looking at availability of equipment. Trying to look at them and draw a pattern will be a very difficult assessment.

Mr. Tredger: I thank you for the commitment to produce that for us. It's much appreciated.

Just a quick question on debt. On page 28 of the Yukon Development Corporation's annual report — I need a little bit of explanation on fair value of \$156 million “for all long-term debt.” Then below that, it talks about a bond “for the face value of \$100 million”, which will come due in 2040. Can you explain the debt, the bond and how they interact and who holds that debt?

Mr. Morrison: The debt is a debt that Yukon Development Corporation would hold from Yukon Energy over a long period of time. The bond — I think, we've had numerous discussions in Committee over the years. The bond is the \$100-million bond that the Development Corporation borrowed and loaned to Yukon Energy Corporation to build Mayo B. It's a fairly simple transaction. The bond was created — bought — in the market. TD was the lead underwriter. RBC and Scotiabank were all involved in it, but it was \$100 million borrowed on the market at a fixed interest rate for 30 years in 2010. At the time, it was a very economic debt. It was used to build Mayo B and the last part of the Mayo B project, which was the Carmacks-Stewart line. That project used the bond financing and the financing from Canada to the tune of \$170 million to complete those two projects.

Mr. Tredger: So if I'm correct, coupled with the bond, which is \$100 million and the fair value of a long-term debt, which is \$151 million, the Yukon Development Corporation would have a debt of \$251 million?

Mr. Morrison: I'd have to look at the financials; I don't have them in front of me. I'm not an accountant and I don't know where these numbers have flowed from, unless somebody else has the data in front of them. I'm happy to do it and answer it at a later time, but I don't want to do that right now — or I can't do that right now.

Mr. Tredger: It's on page 28 of the Yukon Development Corporation's annual report — item 15 — where it's talking about long-term debt. I thank the witness for his comment. I'm just trying to get a handle on that.

If the Yukon government owns the Yukon Development Corporation, who is responsible for that debt? Would it be the Yukon government or the Yukon Development Corporation?

Mr. Komaromi: I should just explain that the bond is — its face value was \$100 million when it was taken out and its face value when it is refinanced or paid out in 2046 is its face value. It is not cumulative; it is not added to any other debt.

Some Hon. Member: (inaudible)

Mr. Komaromi: Sorry, Madam Chair — who is responsible for the debt? Yukon Development Corporation is an agent of the Yukon government. It is established that way in the legislation, so ultimately that debt would fall under the Yukon government's debt cap.

Mr. Tredger: I may not be able to get an answer for this here, but my question would be in terms of bond rating. I would assume that Yukon government's bond rating — or maybe I shouldn't assume this. Is the Yukon government's bond rating better than Yukon Development Corporation's because they're a larger entity? If so, why would we not borrow directly through the Yukon government and that way put the money into the Yukon Development Corporation, and it would then show up on the books of the Yukon government as it is a debt of the Yukon government?

Mr. Morrison: I'll try to explain. The Yukon Development Corporation does not have a debt rating and neither does Yukon Energy Corporation. Yukon government has a debt rating, and I can't remember what it is but it's quite high — double A, as I am reminded. The money was borrowed by the Development Corporation because the transaction was a transaction of the Development Corporation's subsidiary company — it was a hydro plant.

Going to the market — the reason that it ends up being a bond is because you can't get a long-term debt of that magnitude and that length of debt from a bank. You can't go to the bank and borrow \$20 million for 25 or 35 years. They won't lend it to you for that long.

When you go out to the market — and we talk to bankers and we talk to financial experts about the methodology for borrowing that kind of money — really the only option was to do a bond issue and that really just is debt. It declines. We pay that debt down every year. We make some payments to the Development Corporation as part of that. From a methodology point of view, that's all it is. It's just a way to borrow money.

Mr. Tredger: I understand that. Why would it show on Yukon Development Corporation's books rather than the government's books? The other aspect is that the \$100 million doesn't decline. It stays at \$100 million and comes due in 2040. Is the Yukon Development Corporation putting aside a certain amount of savings each year so that when 2040 comes — and our children's children are out there — this doesn't all of a sudden come true?

Mr. Komaromi: There is, at present, no sinking fund established to provide for the repayment of the face value of the bond when it comes due. There have been a number of conversations about how we might go about planning to do that. Whether that is a sinking fund — or what often happens, as the case with utilities, is refinancing that bond when it matures. That is not unusual.

Ms. White: The witness touched very briefly on the Marsh Lake storage issue before. Can I please have a catch-up as to where we are right now with the Marsh Lake winter storage issue and when we might expect a decision to be announced regarding that?

Mr. Morrison: The Marsh Lake storage project is moving along, I think, at the right pace for the issues that we have to deal with.

We've really completed all of the environmental studies. The economic work has all been done. There aren't any major issues around birds or fish or wildlife in that aspect of it. But there are issues around shoreline erosion and groundwater that have to be mitigated or solutions have to be developed for them. We've been working with the communities at Marsh Lake, Tagish Lake and Carcross for a number of years on this project. I think it's a good example — when we're trying to work on a project that involves a lot of different communities and a lot of different people who all have varying degrees of involvement and impact related to the project — where we need to go about as slow as the community needs to go up to a point. We've been going as slow as the community needs to go for a number of years. Now, people might think we're still going pretty fast, but we've been at this for — my memory is that it has been three or four years already.

A year ago, we developed with the communities out there a little advisory committee that works on its own to gather information related to homeowners' concerns around the area. They've also worked with us in terms of understanding the technical aspects of the study and where we're at. The plan this year for Marsh Lake is to develop and have discussions with the communities at large in all of those areas — what the mitigation efforts will be or could be implemented related specifically and primarily to shoreline erosion and groundwater.

The question is difficult because there are a lot of public lands and there are a lot of people who live within very close proximity to the lake. The lake levels for a good part of the year are uncontrolled and unmanaged. Come May, when we open our gates at Lewes, the lake levels become whatever they become because it is the influent of the lake.

There are a lot of issues around helping people understand the hydrology of the Southern Lakes, as well as the impacts. There are significant erosion impacts happening on those lakes, without us doing anything. We're hoping that a partnership of the residents in those areas and ourselves might result in some mitigation that could resolve even some existing problems.

We'll take this year, we'll talk more with people at Marsh, Tagish and Carcross about these issues and potential resolution to the issues. Once we have a discussion around that, I think we'll have a chance to really gauge whether or not it's time to move forward in any kind of substantive way, or whether we need to do some more work.

Ms. White: Can the witnesses confirm that the diesel generation is used right now just to offset the lack of hydro during peak times? So it's just being used as backup, as opposed to all-the-time generation?

Mr. Morrison: Yes, if I understand the question correctly. We have so much hydro available in the winter. There is a different amount available in the summer because we have more water. Right now, we currently use hydro as our baseload. We use some peaking diesel in the winter.

To be clear, we also use diesel from time to time in the summer. If we have taken a hydro unit out, depending on what the loads are, we may need to use some diesel if we have a hydro unit out of service for major repairs or things like that. In general, it's used to meet very short peaks in demand on the hydro grid. We produce about 99 percent of our electricity requirement from hydro.

Ms. White: In the many LNG presentations I have attended — including the July 8 session for Yukoners concerned about oil and gas, and then again the public meeting that evening — Mr. Morrison asserted that LNG would be used only as a backup to hydro — so similar to diesel. Can I just get a confirmation of that, please?

Mr. Morrison: The plan for the LNG project is for the replacement of backup diesel supply. The diesel system that YEC has in place is designed to do three primary things. It's to be a backup if we lose either transmission or hydro generation — and that is a particular issue in a number of communities that will require power to come back on immediately — especially in the winter — if we lose supply on either the transmission grid or from a hydro unit.

The other purpose of the diesel system across the territory that Yukon Energy has is to provide in cases — before, if we have equipment that is down for maintenance, if we need the power we can turn the diesels on — but again, for very short periods of time. We have backup, we have peaking — as the member alluded to — we do from time to time peak. If we had a situation that we would clarify as a once- or twice-in-20-year event, where we had a drought and we needed to react specifically to a one-year situation or a very temporary situation because we were low on water, we could use it to peak — which I would call then peaking, as well — to replace that.

We have a very detailed and well-thought-out renewable energy strategy that we will employ as loads grow and we go forward. The objective of the corporation is not to use diesel unless we absolutely have to. Put in situations where we need to use diesel or, in the future, gas — to the benefit of ratepayers and for the protection of ratepayers — that's what we would do.

As loads grow, we will implement renewable options that fit and can be cost effective for ratepayers.

Ms. White: Along that same line, if we were to invest right now in the diversification of renewables — for example, when we've spoken before about this, you have said that there is a shelf-ready wind project. If we do invest in the shelf-ready wind project, therefore allowing us to use the storage facilities of the Aishihik dam, for example, as a hydro backup, we would then need to use less of our fossil fuel backup.

Is there a reason why we're not looking toward the diversification of our renewables first, as opposed to diversifying our fossil fuels, so having the two — diesel and LNG? Is there a reason why we're going toward that direction, as opposed to wind?

Mr. Morrison: This keeps coming up and I'm obviously not as clear as I really need to be about this.

Renewable energy is not a backup energy. When we need a backup supply, and the diesels or gas engines are the only option that I can think of that can create this backup supply, we need a supply that is dispatchable in our terms but, in lay terms, it means we can turn it on whenever we want.

The option that the honorable member is talking about does not give us dispatchable power. It might give us a little bit of storage on a little bit more water because it's being offset by wind, but wind can't supply backup because it's not dispatchable.

The only options that are economical — and having hydro as a backup to hydro doesn't flow. If we lose the grid, we lose the grid, so it doesn't matter if we have a little more hydro power somewhere. If we can't supply that community because we've lost a grid, we need to have a reliable system that is community-based, community-centred, that enables us when necessary — peaking is the least of my worries, in that sense — but the real worry is that, if we lose the grid and we lose supply, that we have a reliable system that we can turn on so that people's houses are protected, people's businesses are protected — and the only way to do that is to have a system that's dispatchable.

I won't say that there aren't any options other than diesel, fuel or gas to do that, because biomass could do that, if biomass was economical.

But the other reason that diesel and gas are used, not just in the Yukon, to do that, but gas and diesel — and primarily gas these days — are used in all kinds of jurisdictions around the world — even jurisdictions that would tell you that they are 100-percent renewable have gas plants sitting there as backup supply, because they can't afford to lose the grid and they can't afford to lose generation. It's really a matter of thinking about it as backup supply that we don't really want to use. We are just as concerned about climate change and climate impacts as anybody else, but we have that supply and we can turn it on when we need it and that's the real reason.

Ms. White: I wasn't suggesting that we be away with the flip-on backup generation. It was more of trying to increase our energy from renewables and, thereby, minimizing our requirement for the backup.

My next question has to do with the nature of the presentation that Mr. Morrison made at the Quest conference on smart energy in the north on June 6, 2013 in Ottawa. I was wondering if he could share what his conversation was about there.

Mr. Morrison: I did a presentation on energy planning. I can give you my spiel on energy planning in public, but I think that would take up too much time.

Ms. White: What I'll do is read the transcript from the YouTube video that was put on-line on July 4, 2013.

I'm not going to read the 33 minutes that came out, but I'm going to read the parts that I think are relevant, so I'm quoting from you, Mr. Morrison: "We are going to truck LNG from Calgary to Whitehorse, a distance of about 2,200 kilometres..."

"We're solving a North American problem on the transportation side because we're going to build 95-cubic-metre trucks and permit them.

"And in North America they move LNG in 65-cubic-metre trucks but in China and Europe they use 95, and if you're trucking a long distance you want to truck as much as you can over that distance to make it economic.

"And what it's going to do in the Yukon is also introduce a gas source for transportation fuel which we don't have any access to because we don't have a pipeline.

"And it's going to introduce a gas source for home heating which is going to reduce greenhouse gas emissions and other environmental impacts because there is no gas for home heating."

So, my question is this: Mr. Morrison, how does your view on transportation and the designing of new transport trucks fit into your role as president and CEO of Yukon Energy Corporation?

Mr. Morrison: I don't think it does, and I don't think I was suggesting that we were getting into the transportation business. What I was suggesting was that, by solving a problem, there was an opportunity for others to then — on an economic basis — move large volumes of LNG north and they could look at other opportunities. As a step in the process at some point, if we're trucking LNG here to fuel our backup supply, we would hope that the truck itself would run on LNG. That doesn't happen today, but showing people and demonstrating that this is a problem that has been solved will obviously open the opportunity for others to do these kinds of things. That's all I was talking about.

Ms. White: What role have the Yukon Development Corporation and the Yukon Energy Corporation played in solving this problem of designing these 95-cubic-metre trucks and the permitting process that will allow them to be used across North America?

Mr. Morrison: We're not really interested in the rest of North America from a permit point of view, but we are interested in permitting the use of this size of a vehicle in Yukon, B.C. and Alberta. We've been through most of that process in Yukon. The stability tests on the design of the truck have been looked at. We're dealing with the regulatory authorities in British Columbia and Alberta on these issues at the moment. We will have to, as part of this process, either work directly with a company that designs these tankers or with a transportation company, depending on where we get to in the process and how quickly we need the design for the permitting process. But all of this is being worked on and is part of the LNG project budget.

Ms. White: What financial investment is the publicly owned corporation making toward these transport trucks?

Mr. Morrison: I hope we're not making any. I hope we're able to find a contractor who can do this. We talked about this and we have been very up front about the fact that we may have to complete the design and perhaps even build one of the tankers. We're not talking about the tractor units. That's all part of the LNG budget process, and it's all in there.

Ms. White: I'm just going to go back to the presentation that you gave in Ottawa. A part of it will be repetition and I'll move forward.

"What it's going to do in the Yukon is also introduce a gas source for transportation fuel which we don't have any access to because we don't have a pipeline. And it's going to introduce a gas source for home heating which is going to reduce greenhouse gas emissions and other environmental impacts because there is no gas for home heating. And all from trying to solve a simple little problem about how do we most economically ensure that our communities have opportunities to do things differently and to reduce costs and to keep economies vibrant."

My question is: is the corporation planning on selling LNG?

Mr. Morrison: To get clarity at the front of this — no, we're not. But we again have been very clear — and these are particularly discussions with our First Nation partners — that we have a gas supply and that we are prepared — and under the contract that we have with Shell to buy this gas — that we can make that available to others locally. So, we're not going to sell this gas. They can have part of the same supply that we have.

Our First Nation partners have thought about — and other people have approached us about retailing gas for things like home heating and transportation. There are people thinking about it and that's all I was talking about.

Ms. White: It begs to mention that the 37.5-minute presentation has got quite a vision laid out for LNG in the territory. So, I'm going to quote again and ask my next question. "We see ourselves as part of the economic engine and if we can't keep energy costs affordable then that really has a big impact on economies. You unknowingly participate in economic policy if you live primarily in Quebec, Manitoba and B.C. because those electricity rates are kept low for a reason, because it attracts industry, and it's smart but it's not something that is available for the north. We've got a bunch of things that we've got to deal with, you know we're buying gas in Calgary but people in Whitehorse are worried about us fracking in Whitehorse which is part of the social license piece and it's not going to go away."

So my question is: in the YESAB application, the corporation talks about a five-year buying agreement with a company in Calgary for frack-free gas. There has been no talk about what happens after the five years. To go along with the social licence piece, I think it's a valid question to ask how people who own the public utility can guarantee that they feel confident in where that gas is coming from and I was wondering if you could address that.

Mr. Morrison: We've talked about this at some length in the public forums. We're doing our best to try to make sure that we have, not only an economic source of gas so that we can have economical electricity — because all of the costs, including the backup costs, are part of the rate package that Yukon ratepayers have to pay. So getting that source of gas as economic and as clean as possible is certainly one of our objectives. The same thing is true of replacing an aging diesel

fleet with less-costly gas engines because it will reduce over time the exposure that ratepayers have to capital and operating costs for peaking power and things like that. That's always our objective.

We have a locked-in supply, as was mentioned, for the next five years. We're going to see — there's no reason that we can't renew that supply agreement with that supplier. We just have a five-year option and we'll sit down somewhere in the process, or during the time of the contract, and see what we can negotiate for a new supply of gas.

Ms. White: Part of the justification for moving from diesel to LNG — liquefied natural gas — has been the cost-savings for the gas. The corporation has said time and time again that it's not so much the cost of the generators themselves, but the cost of the fuel. We know that, like all things, the cost of a fossil fuel has really only one direction to go, which is up.

When you last spoke as a witness here in the Assembly, you said that Yukon Energy spent \$1 million on diesel the previous year and in Yukon Energy's YESAB submission the corporation claims that the LNG plant will save \$4 million a year through reduction in diesel costs.

How can Yukon Energy expect to save this amount unless our baseload grows by four times? If our baseload were to grow, would that not then be able to kick in to something like a renewable energy?

Mr. Morrison: So if our baseload grows to a point where we can bring in a renewable option, we will absolutely do that. Over the next few years, the difference in terms of the forecast between what we can generate with our hydro system and what we would have to do with diesel or gas are very small amounts. They would be related in my terms to more like peaking power than anything else. Those very small amounts still create a significant savings between using diesel or using gas for Yukon ratepayers.

You're right, as it grows, there is a larger spread in terms of what the savings are, but even next year, or in 2015, it is a \$1-million or \$1.2-million a year difference. Even if it was half of that, it's still a significant difference for ratepayers to be concerned about. Our job is to manage the assets to the best ability we have for the benefit of ratepayers and to save money wherever we can.

One million dollars a year — even if it never grew from there and it was only \$1 million a year — over time that's a lot of money. If the load really grows — and we constantly look at our forecasts — we constantly change them to deal with not only economic conditions in the territory but worldwide that impact growth of mining and other industries in the Yukon. As we see those changing, that's why we have this inventory of renewables that we can bring onstream in the stream of renewables in a very short order to meet load. Having said all of that, we will always need to have diesel backups or gas backups. So whether we — there are going to be times again when we are going to get into a situation where we're peaking. We can't afford to build wind to replace peaking, or something else to replace peaking; it's not cost-

effective for ratepayers. Our primary objective here is making sure that ratepayers and the cost to ratepayers are protected.

Ms. White: As my final question — understanding that the corporation I wouldn't say exactly has a social licence so far to move forward on their LNG plans — it's before YESAB right now. If all goes ahead and the corporation is given permission to move ahead with their LNG plans, does the corporation then plan on replacing every other diesel generator that needs to be replaced with an LNG generator?

Mr. Morrison: As long as the cost of gas is significantly cheaper than diesel, that is our plan.

The diesel engines all have a life expectancy. We have a retirement plan for them. As they retire themselves — as they get to retirement age and we look at the economics of replacing them — we'll look at diesel and we'll look at gas. If gas or diesel are the cheaper options from an operating point of view, that's what will drive what we replace them with. But they are a backup system. We're going to replace them with something, and the choice is what the best is at the time we replace them.

Mr. Silver: I would just like to begin by thanking the witnesses for appearing here today and also for their frank and informative answers.

I want to start off with some questions about the 2010 bond. I was wondering if it was possible for the corporation or any of the witnesses to provide a list of groups, developmental corporations or individuals who purchased the bonds and the amounts of each purchase.

Mr. Komaromi: I can check into that, but generally speaking, that would not be possible. Usually bonds like that are sold into the marketplace by people who make that their business. You can well imagine that \$100-million worth of a Yukon government bond was probably subscribed by tens, if not hundreds, of either individuals or institutions. I have a hard time imagining that a list would be available just in the ordinary course of business and certainly, in terms of privacy issues.

Mr. Silver: In regard to that purchasing process, were Yukon citizens able to purchase the bond through their personal financial advisors?

I have another question in two parts. Is there a mechanism to repay any of these purchasers ahead of schedule that doesn't result in penalties for the Development Corporation?

Mr. Morrison: Yes. Yukoners were able to purchase the bond through their personal financial advisors as long as their personal advisors were part of the bond group, which was RBC, TD, Scotia, and there were one or two others. Those were made available but, as Mr. Komaromi said, I don't think we can tell you who they were, particularly for privacy reasons. We've never seen any kind of list.

Mr. Silver: What is the total amount of interest that will be paid over the whole life of the bond?

Mr. Komaromi: The coupon rate on the bond is five percent, so it's \$5 million a year times the time through to maturity of the bond, so if the bond was taken out in 2010 and matures in 2040, it would be 30 years times \$5 million.

Mr. Silver: I was told there wasn't going to be any math here today so I'll move on to another question. I'm going to talk about the new hydro project. The government gave YDC direction via the Order-in-Council 2013/201 to plan for one or more hydroelectric projects.

I know that the Member for Mayo-Tatchun already attempted some questions here, but I think maybe a better way of asking the question is: this is something that the corporation was already working on anyway, so what does this directive add to the present planning process?

Hon. Mr. Kent: I think with respect to this project, that's why the government chose the Yukon Development Corporation to direct them to plan for one or more hydroelectric projects as I mentioned before. Certainly I know that the Yukon Energy Corporation has conducted a substantial amount of work with respect to this so we certainly don't have to start from square one with respect to this project.

Again, I think that's why we're able to identify some of the aggressive timelines for the research and planning. With that in mind, though, as I've mentioned in the past, we don't anticipate the project itself coming on line for approximately 10 to 15 years.

Mr. Silver: Once again, I'm absolutely sure that there has been an awful lot of planning by the corporation and I'm just wondering if they wanted an opportunity to explain that process to date before this order-in-council.

Hon. Mr. Kent: I don't mean to take away time from the witnesses, but with respect to this OIC, this was direction given by the government to the Development Corporation by way of an OIC that's available to members opposite to read, with respect to the project itself. Again, we're looking to the Development Corporation to come up with, within 90 days, a workplan identifying the financial and human resources they'll need to conduct the research and planning.

We anticipate some time, perhaps as early as late next year, that they'll be able to identify, through a business case, the opportunities that we have to proceed with this project.

Again, the answer is the same as the one I gave the Member for Mayo-Tatchun. I'll turn the floor back over to the member so he can engage the witnesses on other matters.

Mr. Silver: I'd really like to engage the witnesses on this matter. Before the OIC, there has been work done by the Development Corporation. We're just wondering what that work is. It's a very simple question, and before the minister gets to his feet again, we're not asking about the OIC. We're asking about before this OIC. It is our understanding and the understanding of most people that the corporation has been working diligently on hydroelectric projects. We would just like them to get the opportunity to relay that great work to the House here today. I'll try it one more time.

Mr. Morrison: Let me take you back quite a few years. Over time, the corporation has a library of studies that would be in excess of 150 different hydro studies — if you're talking about hydro. In more recent years, we took up what might be called in other places an integrated resource plan, but we've called it a 20-year resource plan. We've been working on that for the better part of 10 years.

We've issued two versions of the plan — an original plan and then an update. Within that plan, we have conducted quite a bit of work around hydro.

We have looked at a number of sites that we've talked about in this House. We've looked at a vast number of other sites that haven't been that much of a public discussion, but they're certainly not sites that aren't common or aren't part of that original list that I talked to you about.

The biggest study — we did a review of hydro in 2009. We looked at a number of sites, but what we've narrowed down are sites specific to the development of load-based growth. Those are the ones that we talk about. There are a number of other potential sites as the minister mentioned that Yukon Energy has looked at over the years; there's a long list. But they have never been looked at in any kind of depth. Hydro planning has a whole series of stages that have to be gone through from preliminary, on-the-ground site examination or map examination to desktop to moving into formal review and development stages. I would say that what we've looked at is very preliminary, with the exception of maybe some of the work that we've done on the sites that we thought fit the load perspectives of the day. What I mean is there is Marsh Lake, Mayo Lake, Moon Lake and a few others that we've updated in recent years to look at hydro.

It's a very big subject and we've tried to build it into the resource plan as best we could. We've also talked in there about how in future years when we look at different scenarios, we would have to re-examine where we're at. That's our basic process.

Mr. Silver: I do very much appreciate the answer from the witness. We talked a bit earlier about who was paying for the production of the work — whether it's the Yukon Energy Corporation, the Yukon Development Corporation or the Yukon government — and how that really comes down to the Yukon government in the end as a responsibility. Now the directive is to the Yukon Development Corporation, but YDC essentially has no staff, as I understand, to produce that type of reporting. This might not be able to be answered, but I'm just wondering who will be doing the actual work of producing the report.

Hon. Mr. Kent: That will emerge with the 90-day workplan. That will identify the human and financial resources necessary to lead that research and planning. I think the deadline for that is sometime in February, given the timing of the directive.

Mr. Silver: I thank the minister for his answer. The directive itself says in section 1(2) that the goal of the project is to ensure, together with supporting renewable and then unrenewable sources and adequate supply of power. What does "supporting renewable" refer to? There is currently very little supportive renewable power being produced in this current situation.

Mr. Morrison: Can we try it again? I'm not exactly sure.

Mr. Silver: Yes, sorry. The directive is saying that the goal of the project is to ensure, together with supporting renewable and non-renewable sources, an adequate supply of

power. What does "supporting renewable" in this particular context refer to?

Hon. Mr. Kent: With respect to this, when I read that section of the directive, it is really the goal of the project to ensure an adequate and affordable supply of reliable and sustainable electrical power in the Yukon and we want to ensure that we maximize the renewable — or the hydroelectricity generated — but there may be, to a minimum extent feasible, non-renewable sources of electrical power required.

Mr. Silver: This is just to clarify a question, that's all.

There was a motion introduced — and we talked about this already in the House on October 31 — regarding this project. I'm not going to read the whole motion — we've gone over it a few times. There is point number two, which says — and this is from the Member for Riverdale North's motion — "exploring additional renewable sources such as wind and biomass as potential complements to the existing hydro-based grid..."

Madam Chair, point number two is not addressed in the actual directive and my question is, why was it left out of the directive? Were the witnesses given any explanation for why this was not included?

Hon. Mr. Kent: The directive itself was with respect to hydroelectric power planning, and the motion that I introduced as the Minister of Energy, Mines and Resources on the first day of this sitting really talked about a clean power agenda that the government has going forward. This directive is specific to that hydroelectric power planning initiative, but the witnesses, through their 20-year plan, will perhaps be able to address some of the wind and other renewable or biomass projects that they've been looking at throughout the territory.

Mr. Silver: Moving on to LNG, according to an August 29 *Whitehorse Star* story, Yukon Energy has entered into an agreement with Kwanlin Dun and Ta'an Kwäch'än to form a business partnership for the liquefied natural gas project. Can the witnesses provide a copy of that agreement?

Mr. Morrison: We haven't concluded our partnership arrangement with Ta'an Kwäch'än and Kwanlin Dun. We continue to discuss the details of that. Whether or not we can supply a copy of that in the future will depend on our First Nation partners and a number of other issues. We have not in the past provided copies of our partnership arrangements with First Nations.

Mr. Silver: Can the witness confirm that the negotiations are concluded then?

Mr. Morrison: No, we haven't concluded our negotiations. We're still working with our partners to come up with a project partnership agreement that would be agreeable to all parties, but we have very good relations with our partners and are having ongoing discussions with them.

Mr. McDonald reminds me — we do have a project partnership agreement in the sense of we've agreed to get together and discuss a partnership. So if that's what the member is thinking about, we have a preliminary agreement that sets out our objectives in having a partnership, but we haven't concluded the actual partnership arrangement.

Mr. Silver: I'm just a little confused. I don't know how to word this, I guess. An agreement is not signed, I guess, is what I'm hearing. I'm wondering if — shouldn't there be an agreement signed before going ahead with this specific project?

Mr. Morrison: In a perfect world, you would want to do that, but it isn't always the case. Partnership agreements that we've had with First Nations on other projects have not been always signed months and months and months prior to going ahead. They have a life of their own in the sense that they're discussions between groups. We all have our own objectives to achieve and understanding the whole LNG project and how this project would work and how First Nations can invest is a complicated issue. We continue to work with our First Nation partner on this. We are confident that we will conclude an arrangement, we just haven't been able to get it done yet.

Mr. Silver: Thank you to the witness for the response. I'll just finish up with that.

When a final arrangement or agreement is made, would that be made public? Could the witnesses maybe characterize the relationship with the First Nation partners to date on this project?

Mr. Morrison: I would characterize our relationship with Kwanlin Dun and Ta'an Kwäch'än as being very collegial, very cooperative, very supportive of each other and our aspirations in relation to the project. We have learned a great deal over the years in terms of how we can best deal with First Nations and how we deal with partnerships.

Particularly on this project, we were able to have discussions with both Kwanlin Dun and Ta'an Kwäch'än right from the very conception of the idea — like, if we were going to do a project like this, was it something they were interesting in having discussions on? Because of that, and because of the length of time we've been having these discussions and the number of meetings we've had in order to help us all understand the project, how it might work as a partnership and how First Nations might make an investment, I think it has really developed a strong working relationship between Kwanlin Dun and Ta'an Kwäch'än related to this project.

To the first part of your question — would the agreement be public — I can only tell you that, in the past, when we have been asked for copies of partnership agreements or project benefit agreements, our First Nation partners have not been prepared to do that. Whether these partners might be is a different question, but we have never released any of those documents and we have been asked in forums, such as the Yukon Utilities Board hearings, and they have not been prepared to do that.

Mr. Silver: I appreciate the answer. I would just maybe conclude on that by saying it does come as a little bit of a surprise that we are in a situation where an agreement hasn't been come to yet. I hope that there are no hang-ups on there. Maybe if we could get a date, at least, when the agreement happens — nothing proprietary, nothing other than an acknowledgement that an agreement has been made — I think that would be of extreme importance to Yukoners. I do wish

the corporation the very best in the negotiations with the two First Nations. It's a good deal.

I'm going to turn my focus to wind. I just have a couple of logistic questions here. What is the capacity of the windmills on Haeckel Hill? What is their capacity and, I guess, what are they producing?

Mr. Morrison: You're taxing my memory, but it's about a megawatt between the two. The small Vestas has some significant issues, particularly the blades. We have been, for some time, trying to find replacements for them. They're very, very expensive. The question I put to staff several weeks ago was what we really need to do is a life assessment of both of those wind turbines and determine what is the most cost-effective way of going forward. We don't have that analysis done yet, but we will be doing it in the new year.

Mr. Silver: Is the corporation looking at purchasing any new additional windmills?

Mr. Morrison: As I have mentioned previously, we have enough data now to know what we can do at Tehcho, at Ferry Hill. If we were adding new, in addition to the site we have at Haeckel Hill, we would be looking there. When? As soon as we see load growth and requirement and a benefit to ratepayers that would result in us advancing our wind or renewable strategy forward, we would look at that, but we would look at it in combination with a number of other things. So can I give you a time? Not today, but that's very much front-of-mind; that's very much part of the strategic direction that the corporation has been given by its board and has implemented over the last number of years.

We don't want to burn any more fossil fuel than we have to, so every opportunity we have to either add a little bit of hydro enhancement or add some wind, we will be looking at it very seriously.

Mr. Silver: Is the corporation doing any monitoring on ice or working with ice detectors on Haeckel or Ferry Hill or any of them? If not, why not?

Mr. Morrison: Not specifically at Haeckel Hill. Obviously we have some experience at Haeckel Hill with ice. It does have an icing problem. When we looked at Ferry Hill, that was one of the considerations that we wanted to make sure was dealt with. What is the ice? What do they think the ice regime is? Is it better? It seems to be potentially a better rime icing regime than Haeckel Hill, which is one of the reasons we're interested in it. We're not doing any research on it. There's a lot of research being done around the world on ice conditions and wind. We're not, by any stretch of the imagination, wind experts, but it is a consideration when you build a wind project.

Mr. Silver: I think I only have time for one more question, so I'm going to make it a multi-part one. I want to focus my attention on the Watson Lake hydro. Sections 21 and 77 of the *Public Utilities Act* refer to utility franchises. Section 77(2) gives Yukon Electrical their franchise. The Government of Yukon is the franchising authority. Can the witnesses explain the franchising agreement that is in place for YECL to generate power, and could they provide a copy of

it? A representative of the company told local media they envisioned supplying mines with power.

Madam Chair, this is not a microhydro site. Does the franchising agreement authorize Yukon Electrical to develop a major hydro project? Is this something the government would allow or support?

I think I will leave it at that because that might get somebody else to come up here. I'll leave it at those questions. Thank you very much, Madam Chair, and I would like to thank the witnesses for their time here today.

Mr. Morrison: I don't have a copy or know anything about YECL's franchise arrangements. I do know what the act says. I do understand what it says, but they don't keep me informed of their strategy or their plans, and I do not have a copy — have never had a copy or ever seen a copy — of any documentation they have related to their franchise.

Ms. White: When Mr. Morrison was in Ottawa giving the presentation, what role was he there in? Was he there as the CEO and president of the Yukon Energy Corporation?

Mr. Morrison: Yes, I was invited by Quest to come to give a talk. I was also attending a CEA meeting so I did it in conjunction with that.

Hon. Mr. Kent: On behalf of Committee of the Whole, I would like to take the opportunity to thank Ms. Fairlie and Mr. Komaromi from the Yukon Development Corporation as well as Mr. McDonald and Mr. Morrison from the Yukon Energy Corporation for appearing here as witnesses today.

Witnesses excused

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

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

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

Ms. McLeod: Committee of the Whole has considered Bill No. 66, entitled *Act to Amend the Placer Mining Act and the Quartz Mining Act*, and directed me to report progress.

Also, pursuant to Committee of the Whole Motion No. 6 adopted earlier today, Joanne Fairlie, chair of the Yukon Development Corporation Board of Directors, Greg Komaromi, president and chief executive officer of the Yukon Development Corporation, Piers McDonald, chair of the Yukon Energy Corporation Board of Directors and David Morrison, president and chief executive officer of the Yukon Energy Corporation, appeared as witnesses before Committee of the Whole from 3:30 p.m. to 5:27 p.m.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

The hour being 5:30 p.m., this House stands adjourned until 1:00 p.m. tomorrow.

The House adjourned at 5:30 p.m.