



# Yukon Legislative Assembly

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Number 183

1st Session

33rd Legislature

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## HANSARD

Tuesday, December 9, 2014 — 1:00 p.m.

Speaker: The Honourable David Laxton

# YUKON LEGISLATIVE ASSEMBLY

**SPEAKER — Hon. David Laxton, MLA, Porter Creek Centre**

**DEPUTY SPEAKER — Patti McLeod, MLA, Watson Lake**

## CABINET MINISTERS

### NAME CONSTITUENCY PORTFOLIO

|                              |                     |                                                                                                                                                       |
|------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Hon. Darrell Pasloski</b> | <b>Mountainview</b> | <b>Premier</b><br>Minister responsible for Finance; Executive Council Office                                                                          |
| <b>Hon. Elaine Taylor</b>    | Whitehorse West     | Deputy Premier<br>Minister responsible for Education;<br>Women's Directorate; French Language Services Directorate                                    |
| <b>Hon. Brad Cathers</b>     | Lake Laberge        | Minister responsible for Community Services; Yukon Housing Corporation; Yukon Liquor Corporation; Yukon Lottery Commission<br>Government House Leader |
| <b>Hon. Doug Graham</b>      | Porter Creek North  | Minister responsible for Health and Social Services;<br>Yukon Workers' Compensation Health and Safety Board                                           |
| <b>Hon. Scott Kent</b>       | Riverdale North     | Minister responsible for Energy, Mines and Resources;<br>Yukon Energy Corporation;<br>Yukon Development Corporation                                   |
| <b>Hon. Currie Dixon</b>     | Copperbelt North    | Minister responsible for Economic Development; Environment;<br>Public Service Commission                                                              |
| <b>Hon. Wade Istchenko</b>   | Kluane              | Minister responsible for Highways and Public Works                                                                                                    |
| <b>Hon. Mike Nixon</b>       | Porter Creek South  | Minister responsible for Justice; Tourism and Culture                                                                                                 |

## GOVERNMENT PRIVATE MEMBERS

### Yukon Party

|                          |                     |
|--------------------------|---------------------|
| <b>Darius Elias</b>      | Vuntut Gwitchin     |
| <b>Stacey Hassard</b>    | Pelly-Nisutlin      |
| <b>Hon. David Laxton</b> | Porter Creek Centre |
| <b>Patti McLeod</b>      | Watson Lake         |

## OPPOSITION MEMBERS

### New Democratic Party

|                         |                                                        |
|-------------------------|--------------------------------------------------------|
| <b>Elizabeth Hanson</b> | Leader of the Official Opposition<br>Whitehorse Centre |
| <b>Jan Stick</b>        | Official Opposition House Leader<br>Riverdale South    |
| <b>Kevin Barr</b>       | Mount Lorne-Southern Lakes                             |
| <b>Lois Moorcroft</b>   | Copperbelt South                                       |
| <b>Jim Tredger</b>      | Mayo-Tatchun                                           |
| <b>Kate White</b>       | Takhini-Kopper King                                    |

### Liberal Party

|                     |                                       |
|---------------------|---------------------------------------|
| <b>Sandy Silver</b> | Leader of the Third Party<br>Klondike |
|---------------------|---------------------------------------|

## LEGISLATIVE STAFF

|                         |                 |
|-------------------------|-----------------|
| Clerk of the Assembly   | Floyd McCormick |
| Deputy Clerk            | Linda Kolody    |
| Clerk of Committees     | Allison Lloyd   |
| Sergeant-at-Arms        | Rudy Couture    |
| Deputy Sergeant-at-Arms | Doris McLean    |
| Hansard Administrator   | Deana Lemke     |

**Yukon Legislative Assembly  
Whitehorse, Yukon  
Tuesday, December 9, 2014 — 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 with the Order Paper. Tributes.

Are there any visitors to be introduced?

Are there any returns or documents for tabling?

Are there any reports of committees?

Are there any petitions to be presented?

Are there any bills to be introduced?

Are there any notices of motions?

## NOTICES OF MOTIONS

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

THAT this House calls on the Government of Yukon to immediately release and make public all costs related to the operation and maintenance of the Dawson waste-water treatment facility.

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

THAT this House urges the Government of Yukon to enact legislation that would once again allow for student exchange programs to take place in the Yukon, while ensuring:

(a) there is a minimum cost to Yukon taxpayers; and

(b) all interested applicants are given fair access to this program.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to confirm that it is looking at spending as much as \$1.2 billion on a next generation hydroelectric dam.

I also give notice of the following motion:

THAT this House urges the Premier to release all correspondence between himself and the Yukon's Conflict of Interest Commissioner regarding Mountain View Golf Course.

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

This then brings us to Question Period.

## QUESTION PERIOD

**Question re: Mountain View Golf Course leased land buyback**

**Ms. Hanson:** This government is doing everything it can to avoid answering questions about their backroom deal to bail out the Mountain View Golf Club. Two ministers have

repeated that they don't have to be accountable to Yukoners because they were not in the Yukon Party Cabinet at the time. When the Premier was asked last week about his involvement in this deal, as a then member of the Mountain View Golf Club board, he refused to answer the question.

The Premier is hiding behind a letter from the Conflict of Interest Commissioner. The Yukon Party is misrepresenting the ruling of the conflicts commissioner so that the Premier can continue to avoid being accountable. What the commissioner said was that there was no conflict simply because the deal took place before he was elected. So will the Premier come clean to Yukoners and tell them: What was his involvement as a board member with the Yukon Party's backroom deal with the Mountain View Golf Club?

**Speaker:** Order please. Are you asking the Premier to respond as a private citizen?

**Ms. Hanson:** Yes, I am, Mr. Speaker.

**Speaker:** He is unable to respond as a private citizen here in this Assembly. As a private citizen, he has no voice here.

**Ms. Hanson:** May I repeat the question, Mr. Speaker? I am asking about his involvement as a member of the board with the Yukon Party government.

**Speaker:** But you are asking him as a private citizen — correct?

**Ms. Hanson:** As an elected member now, what his involvement was then.

## Speaker's statement

**Speaker:** No member here is in a position to answer as a private citizen. They are here to represent their constituents. Their position within the government — the government minister or Premier are responsible to respond for what the government is doing now and has done in the past, but they cannot speak as private citizens because as a private citizen, they can't defend themselves. It would be the same for you and all of the members of the opposition.

If you would like to sort of rephrase the question, we'll start again.

**Ms. Hanson:** Thank you, Mr. Speaker. I respect that interpretation and I didn't understand that in the context of how I was addressing that question. I would then ask the ministers responsible: What was his involvement?

**Hon. Mr. Cathers:** First of all, contrary to the member's assertions, what my colleague, the Minister for Energy, Mines and Resources, and I both noted was a matter of fact — neither of us were ministers responsible at that time and we were not in Cabinet at that time.

However, after questions have been raised, we did look into this matter. I would in fact encourage all citizens to read the letter from the conflicts commissioner where he notes that the Premier does not have an actual or perceived conflict of interest under the act and this includes the transaction which occurred in February 2011. Again, the member I think is coming very dangerously close to the line of attacking another member of this Assembly when the conflicts commissioner has ruled on this matter.

**Ms. Hanson:** The fact is that not a single member of this Yukon Party government will stand up and take responsibility for this deal. That's an embarrassment.

The only attempt at justifying this deal has come from the Minister of Community Services who has said that the Yukon Party government assists a number of NGOs when the request funding. He then referenced groups like Mount Sima who had to go through a long public process, open their books and explain to the government how they would restructure their business so as not to go into debt again.

The golf course apparently did not have to satisfy those criteria. This government's actions have made it clear that when it comes to helping out friends of the Yukon Party, fiscal accountability just doesn't matter.

So will the minister explain to Yukoners why his government thought it was okay to subsidize the golf course to the tune of three-quarters of a million dollars outside of the public eye and without a public review of the club's financials?

**Hon. Mr. Kent:** As I mentioned a number of times on the floor of this Assembly, what this deal was designed to accomplish, from what we've been able to ascertain, is that it was to purchase land that was used for infrastructure to support the development of Whistle Bend — storm-water management, as well as green space and recreational trails. As well, there was the opportunity to help out an NGO who found themselves in financial difficulty. Again, as I have mentioned a number of times, this is a very important NGO not only for the community of Whitehorse, but the Yukon as a whole.

Again, the lease itself was entered into in 1997 and my recollection is, of course — and the history will show — that the NDP government was in charge at the time of the signing of this lease. It was a 30-year lease with a legal option to enter into a second 30-year lease to 2057. Mr. Speaker, I would be 89 years old by the time that lease expired.

Again, what the government of the day was looking to do was address the expressed needs of Yukoners at that time and that is what they have accomplished. The golf course is still functioning; there are lots available over the counter at Whistle Bend — two things that perhaps wouldn't be available had this deal not been entered into.

**Ms. Hanson:** Mr. Speaker, 89 years at \$125 a year would certainly not add up to \$750,000. Government documents provide a breakdown for how the costs of Whistle Bend lots are calculated. It indicates that the cost of storm-water drainage and landscaping, trails and parks are included in the cost of the lots and that: "The common costs will be spread over all phases of the project." No doubt the new and future residents of Whistle Bend are curious if they are picking up the tab for this Yukon Party government's backroom deal.

The question is simple: Who did this government unload the costs of their shady backroom deal on to? Families buying lots in Whistle Bend or the Yukon public as a whole?

**Hon. Mr. Cathers:** What I would remind the member — and it's unfortunate again that she chooses to attack the boards of NGOs for the work that they do. I would again note

to the member that first of all, the action occurred prior to me or the Minister of Energy, Mines and Resources being in our current positions. Neither of us were members of Cabinet at that time. In looking into this matter after questions were raised this fall, we have determined that clearly the agreement does, in part, attempt to cover the mortgage for Mountain View Golf Course and, in fact, what we have determined through information provided by officials is that \$500,000 was paid to discharge the mortgage in February of 2011, and the remaining \$250,000 was paid directly to Mountain View Golf Course in February 2011, before the minister or I were in our positions and before the Premier was elected as Premier of the territory. He was a private citizen at that time.

#### **Question re: Dawson City sewage treatment**

**Mr. Barr:** Late last night a faulty valve leading from Dawson City's old sewage screening facility to the force main caused a main break at the waste-water facility. The city is still under a boil-water advisory as a result. I am told the facility itself is backed up with sewage. This is the same waste-water facility that has failed numerous water tests ahead of its eventual — and I use the word carefully — handover to the city.

Even though the problem has been resolved, the boil-water advisory remains in effect while the situation is contained. Can the minister tell residents of Dawson City when he expects the boil-water advisory to be lifted so that life can return to normal?

**Hon. Mr. Graham:** As a result of information received by Environmental Health yesterday, a boil-water advisory was instituted in the city of Dawson. It was done as a precautionary measure. Late this afternoon, water samples were flown to Whitehorse for testing by the Environmental Services group. Once that testing has been completed, we will notify residents of Dawson City, but the Environmental Health department is very concerned about the break and they want to ensure that there's absolutely no chance that folks in Dawson City will become ill as a result of this break. They want to make sure they take their time and do it properly.

**Mr. Barr:** Unfortunately, this isn't the first bad news we've had to raise in this House over Dawson City's water treatment woes. The plant has failed to comply with its water licensing requirements on numerous occasions.

The timeline for the handover of this plant is growing longer with every setback. The operating costs are well above initial expectations, and the tab will once again be picked up by Yukoners. We certainly expect that this government will hold the contractor to its obligations, but what Yukoners want to know is: How much money has this government spent so far to operate the facility?

**Hon. Mr. Cathers:** The member may not be aware of it, but in fact, the operating costs have been discussed in this House previously and been made public. The member is trying to suggest that they have not. The member is simply inaccurate in that.

What I would note is that our understanding of what occurred in Dawson is that it appears that a valve in Dawson's

force main had a problem with it. That is based on my understanding from officials and from a conversation with the Mayor of Dawson City, Mayor Potoroka, this morning — that, at this point, their understanding is that it was a valve problem, that it was in Dawson's infrastructure and it's not infrastructure that was replaced, repaired or directly changed as a result of the waste-water treatment plant project. I would also note that immediately upon the problem occurring, staff of infrastructure branch contacted Dawson to offer them assistance, and I, again, discussed that with Mayor Potoroka this morning and indicated that we were prepared to talk to them about ways we can potentially assist them in addressing this — if indeed additional work or upgrades were required to prevent this type of problem occurring in the future.

**Mr. Barr:** Documents obtained under access to information show that almost a year ago, Dawson City officials starting raising questions with the department about whether or not the plant would ever meet the requirements.

Let me quote from an e-mail from the city to the department: "The following are the initial City of Dawson's concerns entering the meeting: (1) what happens if the plant never actually works?"

Here is a simple question: What happens if the plant never actually works?

**Hon. Mr. Istchenko:** I do thank the member opposite for the question. Of course, when this came to light last night, the Minister of Community Services got in contact with the mayor right away — and what he explained earlier about the break was the break in the old force main which flooded the screening plant and went into the Dawson waste water treatment plant.

Our officials of course were right on the scene working with them hand in hand — and I might add, just for the members opposite, that in the community of Haines Junction, we've just installed a new water reservoir and we had to create a complete pressured up system and we've had some of our old infrastructure break too. They've been fixing — I think they had three main water lines that broke and had to shut down. That's what happens when you get old aging infrastructure.

But when it comes to Dawson waste-water treatment plant, we've said this in this House time and time again, we're with the City of Dawson on this and will work with them through and through until the end.

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

**Mr. Silver:** The community of Dawson is currently under a water-boil advisory. We know that the source of the problem is that basically the \$25 million water treatment facility does not work properly. Here is what is going on — here's the problem.

When the new facility was built, it was simply connected to an old discharge pipe to the river. This week, this connection from the plant to the old infrastructure failed — not surprisingly, I'm told. It was only a matter of time, I was told. "Predictable" was the word that was used today when talking to my constituents.

Why was this issue using old infrastructure to hook up a new facility not addressed when the government spent \$25 million on this facility?

**Hon. Mr. Cathers:** If the member had listened to my previous response to the Member for Mount Lorne-Southern Lakes, he would perhaps understand that the premise of his question was inaccurate. Our understanding is that the problem occurred, it is believed at this point — and again, this is based on what I've heard from officials and from the mayor of Dawson in our conversation this morning — they it was caused by a valve problem, although work is being done to determine what exactly occurred. That was their understanding at this point in time.

Regardless of the cause of the problem, it occurred in Dawson's infrastructure in a Dawson force main area that is the responsibility of the municipality of Dawson and was it was not a part of the waste-water plant. Again, what I indicated to the mayor this morning is certainly that if there are issues with infrastructure needing to be replaced or upgraded, we're happy to talk to them about that and happy to consider the possibility of supporting that through Building Canada funding. Of course, the municipality also has access to their gas tax funding to make those changes. We will talk to them about it and we're prepared to consider supporting them and investing in those upgrades if need be.

**Mr. Silver:** Of course, we have the minister once again blaming the city.

Mr. Speaker, this is exactly what happens —

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

#### **Point of order**

**Speaker:** Government House Leader, on a point of order.

**Hon. Mr. Cathers:** I think the member should be asked to retract that. He accused me of blaming the City of Dawson, which is clearly not what I did. I believe he is contravening the Standing Orders.

#### **Speaker's ruling**

**Speaker:** It's a dispute between members. Leader of the Third Party, please finish your question.

**Mr. Silver:** Thank you very much, Mr. Speaker. This is what happens when you put new infrastructure over the top of old without considering the potential impacts. The new \$25 million plant, which still does not work properly by the way, was simply connected to an old discharge pipe. A failure was predictable and indeed, inevitable. When the new plant was installed, this discharge portion that goes from the plant to the river was not replaced. There was some discussion at the beginning of the project about replacing this, but in the end, it was never done. This thin-walled force main pipe that goes from the plant to the river needs to be replaced before another break and before people's drinking water is potentially at risk.

This is the canary in the coal mine, Mr. Speaker. Is the government going to work with the city to see that this pipe,

which should have been replaced in the first place, is now replaced?

**Hon. Mr. Istchenko:** I think the Minister of Community Services already said that we were going to work with the City of Dawson on this issue.

The member opposite used the word “predictable”. He said predictable — old infrastructure predictable. There is a lot of old infrastructure in a lot of communities. In my community, when we build new infrastructure, of course, you can’t go and replace all old infrastructure. The cost would be incredible to replace every sewer line in Dawson City or every waterline in Haines Junction. It’s predictable — of course, it’s going to be predictable that you can have an issue somewhere on the system, but the costs are exorbitant. We’re working with the City of Dawson on this. You have to understand that. We’ve been there all the way and we’ll be there until the finish.

**Mr. Silver:** I hope they’re there until the finish, because the finished part of the septic treatment facility was not done. Mr. Speaker, I certainly hope that they can see this money forward in the spring budget, when old pipes are not bursting and there is still an issue with this \$25-million plant working properly anyway. The plant, once again, failed its most recent test in mid-November.

This has never happened in Dawson before or after this treatment facility, including the old screening plant. This plant has not been compliant with the city water licence for two years and three months now. The reason the plant was constructed was because the city was charged under the *Fisheries Act* for failing these very tests. The previous failures resulted in a court action — court order — to build a solution.

How long does the government intend to allow this to continue before it takes action against the contractor?

**Hon. Mr. Cathers:** In fact, contrary to the member’s assertion, staff is working very hard on ensuring that we do everything within our power to ensure that the contractor, Corix, meets the terms of their contract. Of course, we, as with the City of Dawson, are not satisfied with the fact that the contractor has yet to demonstrate that the plant meets what they were contracted to do, but that work is still ongoing.

What I would note is that, contrary to the member’s assertions and the way he is framing this and characterizing it, we have been working very closely with the City of Dawson, with their officials and with mayor and council. We will continue to work closely with them. We very much appreciate the work that they have done in this area and appreciate the challenge they have. I want to thank staff of the City of Dawson as well as staff of Community Services and Highways and Public Works for the good work that they have done and are continuing to do in this area. We will remain committed to working with the City of Dawson to meet this challenge together and that includes considering where, if infrastructure upgrades are required in future, we may be able to assist them through resources, such as the new Building Canada fund.

### Question re: Yukon nominee program

**Ms. Moorcroft:** The federal wage guidelines were recently updated for the Yukon Nominee Program retail salespeople, who are now paid \$15 an hour. This is great news for an especially vulnerable group in our community. However, this good news begs an even more important question about minimum wage in Yukon. We know that paying workers fairer wages pre-emptively offsets a number of problems, like funding for affordable housing, food bank usage and the trickle-down effects of poverty. Mr. Speaker, a higher minimum wage just makes sense.

Will the government follow the Yukon nominee program’s good example and increase Yukon’s minimum wage so that all workers can benefit from fairer pay?

**Hon. Mr. Cathers:** I think the member may be getting confused on this issue here. The specific change she is referring to is in a federal program. It is a federal decision as to what they base that wage rate on in that program. Yukon’s minimum wage is reviewed by the Employment Standards Board and they make recommendations on it from time to time. Over the past number of years, it has been increased on a few occasions. The exact number is — not off the top of my head — but I can check that number and I believe it has also been indexed to the rate of inflation.

**Ms. Moorcroft:** Studies have shown that higher minimum wages can and do make a difference in how much help minimum-wage workers may need to make ends meet. The higher cost of living in the north means that wages need to follow; otherwise more working Yukoners will need to rely on services like food banks.

If a worker puts in 40 hours of work a week, they deserve to be paid enough to get by and the government has agreed with this principle in raising the minimum wage for the Yukon Nominee Program.

Does the government agree with the principle that Yukoners who work 40 hours a week should be paid enough to make ends meet?

**Hon. Mr. Cathers:** We respect the role of the Employment Standards Board. Clearly the member and the NDP do not. Clearly the member appears to be criticizing the work they do — either that or simply not understanding that she, on the one hand, is talking about a federal decision within a federal program of what they base the wage rate on — that’s a federal decision that, if she has issues with it, she should perhaps write to the federal minister or the Member of Parliament and express her concerns.

We have continued to follow the recommendations that come from the Employment Standards Board, which has recommended, over the years, a number of increases to the minimum wage. Yukon’s minimum wage is one of the highest minimum wages in the country.

**Ms. Moorcroft:** It’s a very odd situation that we’re in. Workers in the Yukon nominee program are now being paid \$15 an hour for the same work that other Yukon workers are doing for lower pay. The Yukon nominee program participants deserve to be paid \$15 an hour, but so does every other Yukoner. This government follows the federal

government's lead on many other principles. We're talking about equal work for equal pay. That's a principle we enshrined in the Yukon *Human Rights Act*. It's a simple principle of equity.

Again, Mr. Speaker, will the government bring our workplaces in line with the Yukon *Human Rights Act* so that all workers doing the same work get the same pay?

**Hon. Ms. Taylor:** I just want to clarify the record again — as the Minister of Community Services just tried to articulate as best as possible, within the limitations here — that we respect fully the role of the federal government — ESDC, in particular — as it is solely responsible for setting the specific rates of pay — in fact, it's called prevailing wage rates — when it comes to certain national occupational classifications for specific settings.

In this particular case, it had to do with the particular NOC 6641 that took effect October 6, 2014. It was a decision made by the federal government, the Government of Canada, and it does prevail and it does very much apply to all rates for incoming individuals who are working under the Yukon nominee program.

When it comes to the minimum wage, that is something that is set by the Yukon government after receiving recommendations by the Employment Standards Board. So there is a stark difference there, and the member opposite should really review all the laws in the Yukon that we prevail over and respect the difference.

Again, Mr. Speaker, if the member opposite has an issue with respect to the NOC classification, which saw a 28-percent increase in that area, she should take it up with the federal government.

#### **Question re: Chronic condition health care**

**Ms. Stick:** Chronic disease is Canada's most prominent health care issue and one of the most costly. Chronic disease management, though, is cost-effective and well-suited to collaborative care and increases the quality of life for patients. Despite these benefits, the Yukon clinical services plan 2014 states — and I quote: "Current funding for CDM and the program, itself, are in jeopardy." It then goes on: "...not only should CDM funding be restored, it should be expanded..."

Will the minister confirm whether the chronic disease management program will be maintained at current funding levels or expanded, as per the recommendations of the clinical services plan?

**Hon. Mr. Graham:** The good thing about the clinical services plan is that it gave us a snapshot of the situation in the Yukon at the time of writing. The author of the clinical services plan had no way of anticipating what we would be doing in the very near future after that plan was completed. He had no way of knowing at the time that we are currently taking a very serious look at the program in question with a thought to improving not only the service, but improving the outcomes now that we know what the baseline data is — contrary to what the Member for Riverdale South believes. We have a baseline; we have a plan. It is only taking us a little

while longer to make sure that all of our ducks are in order before we implement it.

**Ms. Stick:** It is encouraging, but poorly managed chronic disease causes increased use of our Emergencies, causes longer hospital stays, reduces quality of life and increases mortality rates. By contrast, chronic disease management programs support cost-effective and high-quality service provision, yet resources for chronic disease management are delimited by the demands of acute care. With our aging population, an increasing incidence of chronic disease come with that. We need to expand and improve our chronic disease programs. The clinical services plan reports that the chronic conditions support program has not expanded beyond diabetes.

What has the minister done to address the gaps in the chronic disease management identified in the 2014 clinical services plan?

**Hon. Mr. Graham:** Once again, the member opposite obviously hasn't been listening in the last little while. As I have said in any number of cases, the incidence of disease and use of our medical system in the territory can only be addressed in the long term through the better health of our citizens. That is one of the reasons that we have gone ahead with the wellness plan. It is one of the reasons that we went ahead with the social inclusion and anti-poverty program — because we believe that the root causes of bad health, ill health, in this territory can be addressed only through better health in the long term. Consequently, we are not only working hard to improve the process for people who currently suffer from these diseases, but we are trying to address the root causes. We will continue to do that.

**Ms. Stick:** I don't think I heard an answer in that — what we are doing to fill those gaps at this time. Way back in 2011, the Auditor General found — and I quote: "...that none of the Chronic Conditions Support Program...are formally monitored or reported to the Department's senior management." Again, the clinical services plan states that: "Chronic disease management is a cornerstone of service planning because we need to measure and track health outcomes over time." I am glad to hear about these other programs, but where are we looking for outcomes?

Can the minister report whether there are clear targets that have been set for the chronic disease outcomes in the Yukon — not just Whitehorse, but the communities too — and if data collection and measurements are in place to track progress?

**Hon. Mr. Graham:** I am absolutely astounded to hear the member ask that question, especially since in the most recent publication of the 2014 to 2019 strategic plan for the Department of Health and Human Resources, there were specific targets in six target areas.

The member didn't know that last week when we started a discussion on Wednesday. The member obviously still does not understand that even though I brought the strategic plan here. The member obviously has paid absolutely no attention to the review done, because in the review there are 263 pages — a number of which is the data compendium which sets the

baseline for future measurement of progress that we're making in Health Services in the territory.

I have to ask the member opposite to at least take a look at all of these documents that we've published and maybe some of her answers will be there.

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

### Notice of government private members' business

**Hon. Mr. Cathers:** Pursuant to Standing Order 14.2(7), I am rising to identify the items standing in the name of the government private members to be called for debate on Wednesday, December 10, 2014. They are: Motion No. 725, standing in the name of the Member for Vuntut Gwitchin, and Motion No. 828, standing in the name of the Member for Watson Lake.

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

## ORDERS OF THE DAY

### GOVERNMENT BILLS

#### Bill No. 78: *Act to Amend the Marriage Act* — Third Reading

**Clerk:** Third reading, Bill No. 78, standing in the name of the Hon. Mr. Graham.

**Hon. Mr. Graham:** I move that Bill No. 78, entitled *Act to Amend the Marriage 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. 78, entitled *Act to Amend the Marriage Act*, be now read a third time and do pass.

**Hon. Mr. Graham:** My comments will be relatively brief, but because quite a bit of time has elapsed between the last time we spoke about this bill and today, I thought that I would run through just the major points of the *Marriage Act* amendments.

The first is the appointing marriage commissioners will now be done by ministerial order rather than Cabinet and we're establishing basic qualification criteria for the position. We're also setting definite terms for the position — it can be either a one-day term or a three-year term. We're creating a fee schedule by regulation in the very near future.

I have to thank all members opposite for the unanimous consent to the change in the *Marriage Act* that was approved by all members at our last sitting or at the last time we spoke about this because it was an oversight on my behalf and I apologize for that and I thank members opposite.

One of the other changes is the introduction of gender-neutral language to the act. Provisions of the act now refer to spouses, rather than husband and wife. The criteria that will be required prior to a person becoming marriage commissioner are: a person having reached the age of majority, which is 19 years or older; they will have to be a Canadian citizen or a

permanent resident; and they will have to be proficient in at least either English or French.

The old act was silent on the length of term for marriage commissioners, and therefore there really is an unknown number of marriage commissioners in the territory, many of whom are inactive. What we have decided to do is establish term lengths and criteria so that both the public and the department would clearly know who in the Yukon has been appointed and who is an active marriage commissioner at any given time. It will also assist the government in terms of records and administration.

There will be a fee schedule implemented, and during general debate on this, I believe I may have given the wrong fees and I may have corrected that in a legislative return. I thought I would bring it up again now. The fees that will be developed through regulation for different appointments will be: for a three-year term, \$250; renewal for a three-year term, \$100; and a one-day marriage commissioner's licence will be \$50.

The Member for Copperbelt South did ask me if current marriage commissioners who have an indefinite time frame on their licence would have to renew, and I did say that, yes, they will be expected to renew but they will not have to pay the \$250 fee. They will only pay the \$100 renewal fee for another year. I wanted to make sure that that would be clear as well.

The proposed changes, we believe, will streamline the appointments of marriage commissioners and will implement mechanisms to ensure that the eligibility is consistent and that the remuneration received by the department will assist with the administration of the marriage commissioner system and will give us an accurate listing of marriage commissioners.

I think that pretty well encompasses all of the changes to the act and, again, I appreciate the support shown by members opposite. I look forward to this bill passing and regulations being approved.

**Ms. Stick:** We are pleased to support the amendments to the *Marriage Act* and feel that it was important that these things take place, including the clarifying of timelines and the streamlining for marriage commissioners. We look forward to seeing the updated regulations when they come out.

I again would remind this government that there are other pieces of legislation that need to come forward to have more gender-inclusive language, including the *Married Women's Property Act*, the *Spousal Compensation Act*, and the *Land Titles Act*. These are all pieces of legislation that need to be brought into today's reality and need to be brought into today's reality and need that gender-inclusive language brought forward.

I thank the minister for bringing forth this first piece and look forward to passing it.

**Mr. Silver:** I will be very brief. I am happy to rise today to speak on the *Act to Amend the Marriage Act*. I would like to thank the members from the department who worked on this bill, and also the minister for tabling it.

The bill is quite clear and quite straightforward. It will clarify the rules surrounding marriage commissioners in the territory and it is also good to see the gender-neutral language being used. We will be in support of this bill.

**Speaker:** Does any other member wish to be heard?  
Are you prepared for the question?

**Some Hon. Members:** Division.

## Division

**Speaker:** Division has been called.

## Bells

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

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

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

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

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

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

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

**Ms. McLeod:** Agree.

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

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

**Mr. Hassard:** Agree.

**Ms. Hanson:** Agree.

**Ms. Stick:** Agree.

**Ms. Moorcroft:** Agree.

**Ms. White:** Agree.

**Mr. Tredger:** Agree.

**Mr. Barr:** Agree.

**Mr. Silver:** Agree.

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

**Speaker:** The yeas have it.

*Motion for third reading of Bill No. 78 agreed to*

**Speaker:** I declare the motion carried and that Bill No. 78, *Act to Amend the Marriage Act*, has passed this House.

## Bill No. 76: *Act to Amend the Fuel Oil Tax Act* — Third Reading

**Clerk:** Third reading, Bill No. 76, standing in the name of the Hon. Mr. Pasloski.

**Hon. Mr. Pasloski:** I move that Bill No. 76, entitled *Act to Amend the Fuel Oil Tax Act*, be now read a third time and do pass.

**Speaker:** It has been moved by the Hon. Premier that Bill No. 76, entitled *Act to Amend the Fuel Oil Tax Act*, be now read a third time and do pass.

**Hon. Mr. Pasloski:** It is my pleasure to introduce Bill No. 76, entitled *Act to Amend the Fuel Oil Tax Act*, for third reading. This bill is primarily administrative in nature. There are no major policy changes with this bill. This act allows certain activities to be exempt of tax and allows the minister to issue permits for that purpose. Permits may be issued for

the generation of electricity by stationary generators for the following activities, if done for commercial purposes: fishing, logging, hunting or outfitting, trapping, mining, farming, tourism, operating a sawmill and golf courses. The bill recognizes there are now more fuel options for the above activities and replaces language specific to diesel and gasoline with reference to fuel oil in general. There is no impact on the Government of Yukon's fiscal framework with this legislation.

The bill also contains provisions allowing the minister to suspend or cancel permits, licences and emblems with cause. Permits and licences are privileges and not a right. The ability to suspend or cancel these privileges for cause is consistent with many other acts that provide for permits and licences. This authority will also reduce the risk to Yukon that could arise from non-compliance of permit holders.

Finally, this bill increases the maximum fine for an offence under this act from \$1,000 to \$7,500 to adjust for the impact of inflation. The bill also enables a penalty of \$100 to be imposed for non-compliance when no tax amounts are due.

**Ms. Hanson:** I rise today on behalf of the Official Opposition at third reading of Bill No. 76, entitled *Act to Amend the Fuel Oil Tax Act*, to indicate our support for the updating of this legislation, as discussed in Committee of the Whole. These are timely updates to what is outdated legislation and, as the Minister of Finance has indicated, the exempted activities remain the same, but the language has been changed to include all types of fuel, with an eye particularly to including LNG, and the modernizing of the fines regime brings it up with inflation from \$1,000 to \$7,500 for maximum fines. All are reasonable measures.

Our understanding, through debate, is that although there have been some instances of non-compliance with this act in the past, it largely acts like any other tax system: it's the threat of the fine that generally brings compliance. So I believe the debate has satisfied our understanding and assurance that there are mechanisms in place to address those.

We appreciated the understanding as well that this is revenue-neutral to the territory, but it is important to make sure that all of our legislation from time to time is reviewed and, where necessary, modernized. With that, we'll just continue to support Bill No. 76, *Act to Amend the Fuel Oil Tax Act*.

**Mr. Silver:** I rise today to speak on Bill No. 76, *Act to Amend the Fuel Oil Tax Act*. This act is administrative in nature. I don't have very much to say on it in third reading here. Updating the terminology will modernize and streamline the processes for applicants and prevent loopholes in the legislation and will accommodate for the changes in our fuel use here in the Yukon. The amendments also highlight that our legislation is now changing to accommodate the common use of LNG in the territory.

I would like to thank the minister for bringing this forth today and also the department staff for their work on the bill. We will be supporting it.

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

Are you prepared for the question?

**Some Hon. Members:** Division.

## Division

**Speaker:** Division has been called.

### Bells

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

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

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

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

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

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

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

**Ms. McLeod:** Agree.

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

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

**Mr. Hassard:** Agree.

**Ms. Hanson:** Agree.

**Ms. Stick:** Agree.

**Ms. Moorcroft:** Agree.

**Ms. White:** Agree.

**Mr. Tredger:** Agree.

**Mr. Barr:** Agree.

**Mr. Silver:** Agree.

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

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

*Motion for third reading of Bill No. 76 agreed to*

**Speaker:** I declare that Bill No. 76 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):** Committee of the Whole will now come to order. The matter before the Committee is general debate on Bill No. 77, entitled *Act to Amend the Financial Administration Act and Other Enactments*.

Do members wish to take a brief recess?

**Some Hon. Members:** Agreed.

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

*Recess*

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

## Bill No. 77: *Act to Amend the Financial Administration Act and Other Enactments*

**Chair:** The matter before the Committee is general debate in Bill No. 77, entitled *Act to Amend the Financial Administration Act and Other Enactments*.

**Hon. Mr. Pasloski:** It is my pleasure to speak to Bill No. 77, entitled *Act to Amend the Financial Administration Act and Other Enactments*. I am pleased to have with me both Stephen LeClair and Clarke Laprairie from the Department of Finance.

We are proud of our record of practising good governance and strong fiscal management. We are implementing a centralized debt-management framework in order to further build upon our record as excellent managers of the fiscal purse.

Yukon's borrowing capacity is set by regulations under the *Yukon Act*. In 1999, the limit was set at \$115 million, with sub-limits on individual YTG corporations. Because of the sub-limits, it meant that the government could not necessarily take advantage of the whole \$115 million in capacity.

In 2009, the limit was increased to \$300 million and the constraints as to proportions to be allocated to the Yukon government corporations were removed. That is, it was a Yukon government allocation decision. The increase to \$300 million basically reflected inflation since 1991, so that the increase was nominal rather than any real additional borrowing capacity.

On March 8, 2012, the limit was increased to \$400 million. In June 2012, federal Bill C-38 changed the *Yukon Act* to provide the authority for the Governor in Council to set, on the recommendation of the Minister of Finance, the maximum amount of territorial borrowings and to make regulations in relation to those maximum amounts, including what constitutes borrowing, the relevant entities and the valuation of the borrowings.

On March 8, 2013, regulations per the *Yukon Act* came into force, clarifying what constitutes borrowing, the relevant entities and the valuation of the borrowings. The relevant entities are all the entities that are reported in the Public Accounts.

The definition of "borrowing" as per the *Yukon Act* is "any loan of money received, plus accrued interest, loan guarantees, capital lease obligations and sale-leaseback transactions". The valuation of the borrowing is done perpetually and is generally based on notional amounts outstanding, without regard to the market valuation adjustments.

There is only one public purse. The legal framework created by the *Yukon Act* clearly recognizes this fact. The current FAA, however, widely disseminates the ability to take on debt on behalf of the public. This bill consolidates the power to borrow, thereby supporting alignment between the

use of the government's borrowing capacity with the priorities of the government. The bill changes the FAA and several other acts to ensure that any future activity that affects the borrowing capacity of Yukon requires centralized decision-making in the form of Management Board approval.

The second item addressed by Bill No. 77, *Act to Amend the Financial Administration Act and Other Enactments*, is an increase in certain limits of five revolving funds. Revolving funds being changed by this bill are: the road and airport equipment reserve fund, increasing the annual capital spending limit to \$8 million from \$5 million; Fleet Vehicle Agency revolving fund, increasing the annual capital spending limit to \$3.9 million from \$1.2 million; highways materials fund, increasing the overall fund limit to \$4.55 million from \$2.85 million; garage parts and fuel inventory revolving fund increasing the overall fund limit to \$3 million from \$1.7 million; and Central Stores fund, increasing the overall fund limit to \$1.5 million from \$750,000.

The five revolving funds being amended in this bill have not had their limits amended in decades and, due to increased volume of activity and price changes, the fund can no longer operate effectively and efficiently within the existing limits.

Three of the funds — highway materials fund, garage parts and fuel inventory revolving fund and central stores funds — are all inventory funds. All three will benefit from higher limits in terms of being able to take advantage of operational efficiencies gained by bulk buying.

The road and airport equipment reserve fund and the fleet vehicle agency revolving fund increases will allow the Department of Highways and Public Works to reduce the fleet vehicle retention schedule to align with industry standards and, consequently, expect to reduce the maintenance costs that are associated with older fleet vehicles.

In the future, these amendments allow revolving fund limits to be changed by an appropriation act. Given that a revolving fund is an authorization to make payments from a consolidated revenue fund, it follows that an appropriation process is the logical means of managing those limits.

This bill also includes amendments that are more housekeeping in nature than a matter of change in policy. The main housekeeping areas of this bill are: to improve the legislative drafting with respect to the rules concerning indemnities — an indemnity is a duty to make good any loss, damage or liability incurred by another, provide a legal framework for debt settlements; eliminate the conflict between the FAA and either the *Lands Act* or the *Territorial Lands (Yukon) Act* with respect to property disposal rules; and clarify the interaction between the FAA and the *Housing Corporation Act* with respect to financial matters.

It is my pleasure to speak to Bill No. 77, *Act to Amend the Financial Administration Act and Other Enactments*. I would like to just again thank the officials in the department for their leadership and expertise in drafting this bill that we will probably table and we're debating today.

**Ms. Hanson:** I thank the minister and the officials for their presence here. As we said at second reading, this opportunity to look at and update the *Financial*

*Administration Act* is an important one because again, the *Financial Administration Act* is really at the core of everything we do as legislators and as government in terms of our responsibility and our accountability as elected representatives for the financial resources — material resources — of the Yukon.

Madam Chair, I had said when we were speaking previously that when we got to Committee of the Whole, as we are now, that I would simply have a couple of questions, more for clarification. I think I actually used the words that I would be only trying, as a way of more educational and self-educational, perhaps — an education of other members of the House too — because we certainly do support the broad intent of the *Act to Amend the Financial Administration Act and Other Enactments*. Perhaps what I would do is cede the floor for opening comments to the member for the Liberal Party and then we'll go into questions, if that's all right.

**Mr. Silver:** I do have a couple of questions. I do thank the department officials for being here and their time today — very valuable. I was talking in general here about Crown corporation independence. Is there a concern that these changes will affect the quasi-independence of the corporations?

**Hon. Mr. Pasloski:** The answer is no. This is about ensuring that, as a government, we have the ability to ensure that we can control our spending and our debt and that we can ensure, going forward, that we don't run the risk of breaching our limit because it would put the government in a very awkward position. So by ensuring that all borrowing is done through a centralized process, reporting through Management Board, it ensures that not only do we control that debt, but we ensure that the money that's being spent is based on the priorities of the government.

**Mr. Silver:** I appreciate the answer, but this bill does tighten the control around the Crown corporations' finances. If the minister can explain to us the conversations they've had with the Crown corporations, I guess, regarding these changes — are they in agreement with the changes about their ability to borrow and the limits therein?

**Hon. Mr. Pasloski:** The reality is that what we're doing today is essentially codifying a process that has really been in place, but by making these amendments, we are enacting, or enabling, to ensure this is actually legislated.

The reality is that the process of going through Management Board is a process that has been used by the corporations.

**Mr. Silver:** Historically, looking back at how the Crown corporations managed their board of directors, I would say that there is a problem with that arm's length getting shorter. I'll ask the question again: What conversations were had with the Crown corporations regarding these changes, and are they in agreement with these changes about their abilities to borrow and the limits therein?

**Hon. Mr. Pasloski:** As I have just said to the member opposite, essentially what we are doing is formally establishing the process that has in reality been the common practice to this point.

Again, more to the point, we need to ensure that by centralizing debt management, we do not in fact breach our limits that we have, but it also ensures that money being borrowed is essentially meeting the needs of the democratically elected government, who were elected by the people and who then have the obligation to deliver to those people those commitments that they made during their election.

**Mr. Silver:** I am going to ask one more time: Has the minister had conversations with the Crown corporations regarding these changes? Are they in agreement with these changes and their abilities to borrow or the limits therein?

**Hon. Mr. Pasloski:** Again, this is a process that is being used by the corporations. We are formalizing that process. Through this process, of course, there were conversations between officials. As well, there has been — again I think it's important to note that a responsible government needs to be able to control spending and by centralizing our debt management, this allows the government to ensure it does control its debt — or increasing the amount of debt. It allows the government to ensure that the priorities are there and are articulated through the election of the government — a democratically elected government — that has been elected to deliver on a platform that they laid out before the Yukon people. By ensuring that we can control the debt, we ensure that the money being spent is based on the priorities of the government of the day.

**Mr. Silver:** I hear that there were conversations. We don't know whether or not there is an agreement with the Crown corporations. The member opposite — the minister — told us that this is in respect to controlling spending. Okay, so that begs the question: Are these changes to the bill a reaction to the debt that we've seen from the Yukon Hospital Corporation, for example?

**Hon. Mr. Pasloski:** This isn't about controlling spending; this is about controlling debt. That is what we are doing through this process. We are ensuring that before the corporations can move forward to increase the debt of the government, it goes through a formalized process through Management Board to ensure that we have control of the debt and to ensure that the money — any debt that is actually retained by the government — is based on the priorities and approval of the government.

Certainly, as we have mentioned in the past, we stand very solidly with our record of financial management and the fact that we're one of only two jurisdictions that have no net debt. Our assets exceed our liabilities, and we're very proud of that. When the debt limit was increased to \$400 million, that was the result of a process that the federal government underwent along with defining what was actually included in that debt. Our debt limits pale in comparison to the other two territories — substantially larger — and, in fact, I believe that Northwest Territories, our neighbour to the east — their current debt limit is \$800 million, double ours, and I have heard that they have been asking the federal government to increase that by \$1 billion. We're well below our debt limit

and we're below the previous debt limit that was in place prior to it being increased to \$400 million.

**Mr. Silver:** I'm just going off of what the minister just said. He just finished saying on the record that this is about the Yukon Party or the government's ability to control spending, so that's why it begs the question of: Are these changes to the bill a reaction to a particular spending from particular Crown corporations — for example the Yukon Hospital Corporation?

This debt calculation does do a good segue to my next question. It's well-known that, if we took a look at the Crown corporation and their debt as well, the forecast wouldn't be as rosy because we do have millions upon millions of dollars in debt through the Crown corporations, and this is, as we heard earlier today, all from the same purse. This money should be calculated along the same budget documents that way.

Let me ask this question: Will the changes in the bill change the way that debt within the corporations is calculated? Will it change the way that debt for the government as a whole is calculated?

**Hon. Mr. Pasloski:** The short answer is no. It just ensures that we are including the debt of those corporations as well. This is about controlling and centralizing the management of debt to ensure that the priorities of the government are being considered before there is an increase in debt, and of course this isn't because of debt in the corporations, as I have articulated. We have no net debt. The debt that is being carried at this time is well, well below the limits that we have, as articulated by the federal government.

**Mr. Silver:** Just to clarify, though, when the minister says that we have no net debt and we're talking about debt calculations and limiting the amount of money that Crown corporations are able to borrow upon, one would think that would beg the question of adding in that debt that has been accrued. Clearly this is a problem for the government. Therefore we need to control the reins or control the debt somehow.

Wouldn't that beg the question of actually being able to change the way that the government calculates its debt as a whole if they're going to be limiting the arm's reach of these Crown corporations?

**Hon. Mr. Pasloski:** I guess the Member for Klondike is not understanding what I'm saying — that this government has no net debt, which means that our assets — our cash and our investments — when subtracting liabilities including environmental liabilities — we have money left over. We are one of only two jurisdictions that are in this case. I know that he tries to paint a different picture. Sadly, he doesn't understand the account.

**Mr. Silver:** Madam Chair, once again I'm just going to try to ask this question: Will it change the way that the debt for the government is calculated as a whole?

**Hon. Mr. Pasloski:** I think that, in the previous question, I answered that. It was a simple answer. It was no.

**Mr. Silver:** Let's change to the actual changes to 19 and 20. Nineteen and 20 would change the wording in — these are sections — section 50 and 51 of the act, making government

into public entity and moving power to the Management Board. Madam Chair, how will these changes change the government's ability to borrow new money? Will it enable the government to take on new debts or securities in order to pay off old debts?

**Hon. Mr. Pasloski:** Simply — by referring to a public entity, it just means that it is the government and all of those corporations as well that are encompassed in that. This is consistent with *Yukon Act* regulations, as a public entity is any entity consolidated in the Yukon Public Accounts, regardless of them having any debts.

**Mr. Silver:** I'm going to try again. I guess the concern here is that — and we would love to have an explanation here and an expansion of why we're changing these titles. There could be a concern that the government is now giving itself more latitude to issue new debt or securities to pay off existing debt. If the minister can expand upon that and put this concern to bed, that would be appreciated. Those are all of my questions for Bill No. 77 at this time, Madam Chair.

**Hon. Mr. Pasloski:** Essentially, as I just mentioned, what we are doing is clarifying who is a public entity. Again, the debt limit is what the debt limit is. For us at this time, it is \$400 million. The ability to borrow, as I just mentioned, is set in the *Yukon Act* and it is \$400 million. Currently for the Northwest Territories, it is \$800 million. Unfortunately, I can't remember what the amount is for Nunavut. So there is no change. I know he's looking for the smoking gun but, Madam Chair, again, the government stands very solid in its financial management and we are in a position that is truly enviable in this country.

**Mr. Silver:** Sorry, Madam Chair, I just have one last question. In the spring, our debt was \$196 million. Where does it stand today?

**Hon. Mr. Pasloski:** The latest number that I have at this time is \$195 million.

**Ms. Hanson:** I just want to go back, if I may, to the line of questioning the Member of Klondike had, and it's more with respect to the Minister of Finance talking about the ability to control debt. Does that mean that the government will exercise greater scrutiny on the instruments used by Crown corporations, such as the Hospital Corporation, for a variety of purposes, such as loans? Would they be looking at various other means of financing the initiatives of the hospital in the Public Accounts for 2014, when we see that the cost of interest for the Hospital Corporation, in a number of areas, is around \$2 million. So does that mean there will be greater control by having this centralized system that the minister has described?

**Hon. Mr. Pasloski:** As I have already mentioned, what we are essentially doing is codifying the process that has been the practice to this date, where the corporations would come forward with a submission through the Management Board process. When it comes to looking at debt and the corporations, it's always a discussion that the government and the minister and the Department of Finance is always willing to have with the corporations.

**Ms. Hanson:** Just to clarify then, there would be no endeavour to try to find less costly means of financing this debt that's held by these corporations?

**Hon. Mr. Pasloski:** As I just mentioned, we're always open to looking at the most cost-effective method of servicing debt, whether the issue is paying debt — I mean, it's a complex issue that revolves around what the cost of borrowing is, how much money you're making, what the return on your investment is if you have cash that is invested. To use that as an example, if the rate that you're paying to borrow money is lower than the rate that your money invested is getting on a return, then it would make more sense to continue to carry that debt at a lower interest rate than pull out money that's actually making you more money.

So the answer to the question is yes, this is a conversation that the department can and does have with the corporations, as we're always looking to ensure that we exercise the maximum value of every dollar of the taxpayers' money.

**Ms. Hanson:** I thank the minister for his reply. I want to go back — the minister spoke to the issue of revolving funds.

I had noted when we were last here on November 27 that in the Public Accounts — that schedules 6 and 7 identify the Public Accounts of the territory. The minister identified that there are five revolving funds that have not been amended in decades, three of which are inventory funds.

It would be helpful for me — and, I think, probably several members present — I am not sure if just on this side, but perhaps also elsewhere in this House — if the minister could identify how frequently revolving funds are reviewed. He identified that these five had not been amended in decades. Does that mean that the remaining funds have been reviewed recently and, if so, when would be the most recent review of the revolving funds?

I guess I am trying to get at — not just what the process is for government to identify the need to modernize and update the envelope within which a revolving fund operates, but also do we just assume that everything is fine with the wildland fire suppression revolving fund or the risk management revolving fund or the insurance fund? Have they been reviewed in the last three years, five years or ten years? Is it a routine matter for government or the Minister of Finance to undertake these reviews?

**Hon. Mr. Pasloski:** The financing of revolving fund activities is similar to that of commercial-type enterprise. The fund is financed by advances from the general revenue fund. The upper limit to the amount of advances that may be outstanding at any point in time is specified by the statute. Advances are used to buy goods and services needed to provide the services for which the fund is created. Users are charged for the cost of providing services that they receive. Recoveries from the users should be sufficient to cover direct costs, incremental overhead and provision for depreciation. Any received are deposited in the consolidated general revenue fund and applied to reduce the amount advanced to the revolving fund. The balance of the advance at any point in time will be the difference between the total disbursements

made on behalf of the revolving fund and the costs recovered from the beneficiaries of the services.

For the road and equipment revolving fund and the fleet vehicle agency revolving fund, the amendments increase the annual expenditure limits. For these two funds, the expenditure limits hamper the ability to replace vehicles and equipment at an optimal time, balancing factors such as the increasing cost of maintenance and operation of older vehicles with the cost of purchasing new vehicles.

The highway materials fund, the garage parts and fuel inventory fund and central stores fund — the amendments increase the amount of the fund. For these three funds, the current limits inhibit buying bulk and at the best times of the season. Inflation and increased responsibilities have put pressures on these funds. Increasing the fund limits does not stimulate government-wide spending.

Departments, who for the most part provide revenues to these funds for the use and the consumption of the fund equipment and inventories, are limited by their appropriations to spend. Reductions in costs may be generated as maintenance and operating costs decrease and bulk and timely purchases reduce the cost of inventory supplies. In the future changes, the fund limits will be done through the appropriation act.

On the road and the airport equipment funds — a replacement of road equipment used in highway and airport maintenance — it was introduced in 1983 as the road equipment reserve fund with a limit of \$3 million. In 1987, the limit was increased to \$5 million. In 1997, airport maintenance equipment was added to the fund. Also in 1997, the limit to the size of the fund was removed and replaced with a limit that capital expenditures from the fund cannot exceed accumulated revenues at the time of purchase, or \$5 million in a fiscal year.

Revenue comes from an amount charged to maintenance camps and airports for equipment in their possession. The charge is intended to accumulate enough funds over the life of the piece, to replace it at the end of its expected life, and an hourly charge that should pay for the maintenance and the fuel costs.

The current fleet is 442 units across 36 different equipment types. Given the increase in prices since 1987, the limit of this fund is not sufficient to replace the current fleet when it is necessary. The average inflation rate for vehicle types in the fund has been 63 percent. Raising the expenditure limit to \$8 million allows the government to replace the vehicles as they age.

The fleet vehicle agency revolving fund, maintenance, operation and replacement of government's ground transportation fleet — the agency effectively acts as a rental agency for Yukon government's light vehicles, with the customers being the other department units. The rental charges flow back into the fund to pay for the maintenance and for the replacement of the fleet. Established in 1996, with a limit of the fund at \$8 million, expenditures from the fund must not exceed \$1.2 million in a fiscal year.

Increases in employees and devolution of federal government responsibilities have meant a need for an increased number of vehicles. The fleet size has grown 114 percent since 1996, to a total of 533 vehicles. Consideration is being given to bringing the additional vehicles which are currently owned or rented by other government departments. This growth in fleet size and inflation has meant that the current spending limit does not allow for appropriate replacement of vehicles as they age.

The highway materials revolving fund — this is for materials used for highway maintenance. It was introduced in 1983 with a limit of \$1.2 million. The limit increased to \$2 million in 1984 and its current level of \$2.85 million in 1995. As materials are taken out of the fund, they are charged to the appropriate HPW branch. The price of acquiring materials has increased by 112 percent since 1995.

The fund annually stays within its limits, but this is creating inefficiencies. The limit results in a delay of purchasing materials, until the inventories are almost depleted, meaning that advantage cannot be taken when prices are best or bulk-buying opportunities that may exist. The increase to \$4.55 million will allow the fund to purchase materials at a time and in a quantity at the best price.

Garage parts and fuel inventory revolving fund — this is for the replacement of parts and fuel used by highway maintenance equipment. This was introduced, Madam Chair, in 1983, with a fund limit of \$800,000 and increased to its current value of \$1.75 million in 1987. Since 1995, parts for airport and runway maintenance equipment are also included under the responsibility of this fund. There are some 2,500 parts held in inventory.

The average price for parts held in inventory has increased 136 percent since the last increase in 1987. Similar to the highway materials revolving fund, the limit results in a delay of purchasing materials until the inventories are almost depleted, meaning that advantage cannot be taken when prices are best and bulk buying opportunities may exist. The increase to \$3 million will allow the fund to purchase materials at a time and in the quantity for best price and will reduce the downtime of maintenance equipment.

The central stores revolving fund — this is an inventory fund for office and janitorial supplies, furniture and related equipment, established in 1983 at its current level of \$750,000. Approximately 800 parts are held in inventory with 90 percent being purchased from Yukon businesses — Central Stores purchases local where possible.

Since 1983, prices for office and stationary supplies have increased by 164 percent. Overall consumption of Central Stores products by Yukon government has increased by 12 percent from 1988 to 2013. One hundred and fifteen new products have also been added to the new inventory, putting further pressures on the fund. As with the other two inventory funds, increasing the limit to \$1.5 million will allow for purchasing of materials when prices are best and bulk buying opportunities may exist.

Just to the last part of the member opposite's question, there are other funds and those funds too will be reviewed, I

guess I can just say over the due course. Certainly when it comes to these funds, it is about communication with the departments that are affected, and the onus is really on those departments to communicate with Finance and to work together with them.

**Ms. Hanson:** I thank the member opposite. I think we've just heard everything we wanted to know or perhaps didn't want to know or were afraid to ask about the five revolving funds in question. I thank the officials who prepared those details. It is really helpful to actually get a sense of the history of each of those and I just want to confirm from the member opposite that he's saying that it's not a cyclical review, but it's more something occurs and somebody says we need to change the limit.

**Hon. Mr. Pasloski:** As I was just articulating, some of these funds haven't been looked at for decades. Really when looking for efficiencies, this is when the discussion came forward to create the opportunity to allow to maximize every dollar that we spend by creating the opportunity to buy in larger quantities to get better prices or to be able to buy at the right time to optimize the best pricing. As I had explained, over time, that really became very difficult under the existing limits that those funds have and this will now address those issues. Also, as was articulated, the opportunity to make amendments through appropriations, as well, can ensure that we continue to run these funds at an optimal level to ensure that we again are getting the most value for the taxpayers' dollars.

**Ms. Hanson:** I wasn't going to ask this, but I thought I had better do it now before we get into the detailed clause-by-clause debate. One of the purposes of these amendments is — and I just recall that I made a point of it when we were talking about it in November.

So it was to simplify dispositions of government-owned intellectual property that has negligible commercial value. I would just be interested if the minister could explain what that means, what the intention is and how it's achieved through the amendment.

**Hon. Mr. Pasloski:** I think it is sometimes difficult to value intellectual property, so really this section takes a principle-based approach, as opposed to a rules-based approach on the matter. If the minister is certain there is no material value, he or she may approve the disposition, otherwise current asset disposition rules prevail. Many funding agreements with other governments, mainly Canada, state that we should share findings and it would be reasonable to assume that, in most cases, there is no commercial value in sharing that information. To this point, without these amendments, that is a very cumbersome process, requiring a lot of time and energy and including Justice as well. So really, this does create that opportunity to ensure that we can disseminate this if, as described, the minister is certain there is no real material value to it.

**Ms. Hanson:** So the minister could clarify, when we're talking about government-owned intellectual property — and I gather from the way the comment was going that it would refer, perhaps, to research findings or something

similar. Where I'm sort of getting hung up is on the negligible commercial value, because how do you ascertain what negligible commercial value is in 2014 as opposed to what it may have in 2024?

**Hon. Mr. Pasloski:** I appreciate that question and I think that is a difficult question and a good question, and I think it's why the approach we're taking is more of a principle-based approach as opposed to a rules-based approach in every situation.

As the member opposite had used an example about research data, I think that would be a good example of a case of intellectual property.

**Chair:** Does any other person wish to speak in general debate?

We're going to proceed then to clause-by-clause debate.

*On Clause 1*

*Clause 1 agreed to*

*On Clause 2*

**Ms. Hanson:** I just wanted to confirm — and I will apologize in advance that I'm going to be operating on marginalia from the briefing that we had with the officials. I just wanted to confirm that, in subsection 1(1)(b), in the definition "trust money", my note shows to me that the intent of this is that it will now show up in Public Accounts. If that's incorrect — if the minister could clarify for me what the change in the definition is intended to do.

**Hon. Mr. Pasloski:** What this clarifies is the money paid as a deposit to government is a liability of the government and not a trust.

**Ms. Hanson:** Just to confirm then — that means that it will show up in the Public Accounts?

**Hon. Mr. Pasloski:** Yes, it will.

*Clause 2 agreed to*

*On Clause 3*

*Clause 3 agreed to*

*On Clause 4*

**Ms. Hanson:** I'm just going to have to go flipping through these pages here, because we're looking at both the act and the amendments at the same time here.

Madam Chair, I just want to ask the minister if he could explain what the implications of section 14.01(3) are.

**Hon. Mr. Pasloski:** The clarification is that it does not apply to obligations requiring a remission order. An example of that would be taxes set by statutes.

**Ms. Hanson:** I just want to confirm that my understanding of what I heard at the briefing was that that means then that you can't negotiate a penalty that's opposed by the court. Is that correct, Madam Chair?

**Hon. Mr. Pasloski:** That is correct.

*Clause 4 agreed to*

*On Clause 5*

*Clause 5 agreed to*

*On Clause 6*

*Clause 6 agreed to*

*On Clause 7*

**Ms. Hanson:** Clause 7(1) Paragraph 41(2)(c) of the *Financial Administration Act* is replaced with — so I'll just

read 41(2)(c): “Subject to this Act and the regulations, the Management Board may issue directives governing the sale of public property”. So now we’re saying it’s subject — issue directives governing “sales or leases of public property (other than public property to which the *Lands Act* or the *Territorial Lands (Yukon) Act* applies)”. So could the minister explain the implication of that change please?

**Hon. Mr. Pasloski:** What this paragraph does is it eliminates a conflict that exists between the FAA and the *Lands Act* or the *Territorial Lands (Yukon) Act* with respect to the disposition of public property that contain land. An example is renting a government building.

*Clause 7 agreed to*

*On Clause 8*

*Clause 8 agreed to*

*On Clause 9*

*Clause 9 agreed to*

*On Clause 10*

*Clause 10 agreed to*

*On Clause 11*

*Clause 11 agreed to*

*On Clause 12*

*Clause 12 agreed to*

*On Clause 13*

*Clause 13 agreed to*

*On Clause 14*

*Clause 14 agreed to*

*On Clause 15*

*Clause 15 agreed to*

*On Clause 16*

**Ms. Hanson:** Just a matter of intent — and I understand there has been a move in some public services to shorten titles, but what’s the intent of moving from “minister responsible” for an activity to just being the “minister of”?

**Hon. Mr. Pasloski:** I believe the answer to that question is that “minister responsible” would be a phrase more appropriate for a minister who oversees a corporation of the Crown; one of the Crown corporations who a minister is responsible for, where this is just a clarification or correction of title to describe the minister as Minister of Highways and Public Works.

**Ms. Hanson:** I think we may have to agree to disagree. I think the minister responsibility in a Westminster model is minister responsibility and accountability for their department and whatever falls underneath it, and it includes Crown corporations and there may be Crown corporations within any government department.

I am not going to pursue it. It’s just that I am curious about that. If it is part of the government — I can’t remember the piece of legislation that talks about how government is ordering itself these days. Perhaps that is where it is found. It is a curious change.

**Hon. Mr. Pasloski:** We were just checking to see if, in fact, it is referenced to the government organization act, and we can get back to the member opposite on that if, in fact, that is what it is.

*Clause 16 agreed to*

*On Clause 17*

*Clause 17 agreed to*

*On Clause 18*

*Clause 18 agreed to*

*On Clause 19*

*Clause 19 agreed to*

*On Clause 20*

*Clause 20 agreed to*

*On Clause 21*

*Clause 21 agreed to*

*On Clause 22*

*Clause 22 agreed to*

*On Clause 23*

*Clause 23 agreed to*

*On Clause 24*

*Clause 24 agreed to*

*On Clause 25*

*Clause 25 agreed to*

*On Clause 26*

*Clause 26 agreed to*

*On Clause 27*

**Ms. Hanson:** I just recall from the briefing — and I would just like to have, for sections 27, 28 and 29 — so if the minister answers one, I believe I will get the same answer for the subsequent three or four sections — that the intention of this amendment is replacing section 11(2) of the *Hospital Act* with, essentially, the same phrasing. So when you see that section 11(2) of the *Hospital Act* is replaced with the following, it says: “(2) Sections 49 to 51 and 54 of the *Financial Administration Act* apply to the Corporation in respect of any borrowing or other liability of the Corporation that is a public borrowing as defined in subsection 49(1) of that Act.

“(3) Except as provided in subsection (1), the *Financial Administration Act* does not apply to the Corporation.”

So in answering how that translates in terms of operations and what the impact of that change is — and I believe you have addressed the question that might arise from each of the subsequent three sections.

**Hon. Mr. Pasloski:** What it simply states is that, prior to the hospital, the college or Yukon Development Corporation being able to acquire more debt, they must have that approved through the centralized debt management system, which in reality would then be that they would bring forward their submission to Management Board to get that approval, prior to being able to acquire that additional debt.

*Clause 27 agreed to*

*On Clause 28*

*Clause 28 agreed to*

*On Clause 29*

*Clause 29 agreed to*

*On Clause 30*

**Ms. Hanson:** My note to myself here says that this part amends the *Yukon Housing Corporation Act*. My understanding is that this is done because the *Financial Administration Act* doesn’t apply to all sections of the *Yukon Housing Corporation Act*.

If the minister could confirm or clarify that and perhaps just briefly outline what aspects of the *Financial Administration Act* don't apply to the *Yukon Housing Corporation Act*.

**Hon. Mr. Pasloski:** On the Yukon Housing Corporation changes, one is borrowing made subject to Management Board approval, similar to all other corporations, and, as I have said, this has been the practice and the Yukon Housing Corporation has been doing this. The second change is the confirmed part of the consolidated revenue fund. The CRF is the fund created by *Yukon Act*, which the Legislature has authority to appropriate. The Legislative Assembly has always appropriated Yukon Housing Corporation loan programs — this just codifies that process.

Yukon Housing Corporation is only subject to the FAA to the extent that the housing act brings in the FAA, which will be after Bill No. 77. Receipt, payment, borrowing and lending of money — other sections of the FAA do not apply. For example, selling homes falls under the housing disposition rules, not the FAA.

*Clause 30 agreed to*

*On Clause 31*

*Clause 31 agreed to*

*On Clause 32*

*Clause 32 agreed to*

*On Clause 33*

*Clause 33 agreed to*

*On Clause 34*

*Clause 34 agreed to*

*On Clause 35*

*Clause 35 agreed to*

*On Clause 36*

*Clause 36 agreed to*

*On Clause 37*

*Clause 37 agreed to*

*On Clause 38*

*Clause 38 agreed to*

*On Clause 39*

*Clause 39 agreed to*

*On Clause 40*

*Clause 40 agreed to*

*On Clause 41*

**Ms. Hanson:** If the minister could just explain what Order-in-Council 1990/135 is — all the other orders-in-council in the preceding three or four sections have been named, but there is no name for this order-in-council and I would like to know what it was? It says it is repealed, but the other ones at least explain what it was and then you can guess why it is repealed.

**Hon. Mr. Pasloski:** What it is repealing — it stated that YDC was exempt from being subject to the FAA when it comes to borrowing, so that is why it is being repealed.

**Ms. Hanson:** Just to confirm then, that Order-in-Council 1990/135 said that YDC was exempt when it came to borrowing, but now it is no longer exempt.

**Hon. Mr. Pasloski:** Yes, that is correct.

*Clause No. 41 agreed to*

*On Title*

*Title agreed to*

**Hon. Mr. Pasloski:** Madam Chair, I move that you report Bill No. 77, entitled *Act to Amend the Financial Administration Act and Other Enactments*, without amendment.

**Chair:** It has been moved by Mr. Pasloski that the Chair report Bill No. 77, entitled *Act to Amend the Financial Administration Act and Other Enactments*, without amendment.

*Motion agreed to*

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

**Chair:** It has been moved by Mr. Pasloski 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:** Mr. Speaker, Committee of the Whole has considered Bill No. 77, entitled *Act to Amend the Financial Administration Act and Other Enactments*, and directed me to report the bill without amendment.

**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.  
Government bills.

### GOVERNMENT BILLS

#### Bill No. 77: *Act to Amend the Financial Administration Act and Other Enactments* — Third Reading

**Clerk:** Third reading, Bill No. 77, standing in the name of the Hon. Mr. Pasloski.

**Hon. Mr. Pasloski:** I move that Bill No. 77, entitled *Act to Amend the Financial Administration Act and Other Enactments*, be now read a third time and do pass.

**Speaker:** It has been moved by the Hon. Premier that Bill No. 77, entitled *Act to Amend the Financial Administration Act and Other Enactments*, be now read a third time and do pass.

**Hon. Mr. Pasloski:** It's my pleasure to introduce Bill No. 77, entitled *Act to Amend the Financial Administration Act and Other Enactments*, for third reading. I've spoken at length during my two previous speeches about the implementation of a centralized debt management framework and changes to five of the government's revolving funds. For third reading, I will focus on other aspects of the bill.

The bill contains provisions that amend parts of the act and other enactments where experience illustrates the current framework is either in need of some clarity, creates a conflict between the FAA and other enactments, or is just silent on common practice. While these changes are housekeeping in nature, housekeeping is important if one wishes to keep their house in order. Public officers, which include ministers, as well as public servants, get much of their authority to act via the *Financial Administration Act*. If sections of the act, or interactions between the act and other acts, are ambiguous, the situation can create internal red tape.

These amendments, while they do not represent a change in policy, are important, in that they will enable public officers to conduct their duties in an efficient and effective manner. I will outline the most significant of these measures.

This bill will improve the legislative drafting with respect to the rules concerning indemnities. An indemnity is a duty to make good any loss, damage or liability incurred by another. The basic policy intent with respect to indemnifications is that the government should be able to indemnify others for their losses arising from government actions. The government is prohibited from indemnifying one party from losses arising from actions of another party, unless enabled by legislation.

A Yukon example of this type of legislation is the *Canadian Blood Services Indemnification Act*. The current legislation doesn't reflect the policy intention well, resulting in excessive legal review for routine, low-risk transactions. The improved legislative language will streamline those transactions.

This bill will provide a legal framework for debt settlements. The FAA is silent on this matter; however, in practice, settlements are a common occurrence in the legal world. These amendments will provide a framework to oversee these activities. This bill will eliminate the conflict between the FAA and either the *Lands Act* or the *Territorial Lands (Yukon) Act* with respect to property disposal rules. The FAA creates rules related to the disposition of government real property. Real property could be anything from a chainsaw to this building. A disposition could be either a sale or a lease of property. The two lands acts have rules and procedures for the disposition of land. The FAA conflicts with these lands acts when the government disposes of a building and the land it sits on. Today, all these acts apply and mutually exclusive disposition rules and ministerial authority exists.

This bill restores common sense to dispositions by essentially saying the disposition of land that contains a government building will be governed by the FAA. This bill will clarify the interaction between the FAA and the Housing Corporation with respect to financial matters. The current act is silent on whether or not the Yukon Housing Corporation fund is part of the consolidated revenue fund. This bill clarifies that the Yukon Housing fund is part of the consolidated revenue fund by introducing language similar to what exists in governing legislation of the governments to other agent corporations — i.e. the Yukon Liquor Corporation and the Yukon Development Corporation.

Before I close, for the record, I do have a clarification on the member opposite's question regarding clause 16 and the interpretation, where the answer is actually in the *Interpretation Act*. It defines a minister as "the member of the Executive Council charged by order of the Commissioner...with responsibility..." Mr. Speaker, responsibility is inferred by the use of "minister".

It is my pleasure to introduce Bill No. 77, *Act to Amend the Financial Administration Act and Other Enactments* for third reading. I would like to acknowledge the work of all of the good officials who came forward and worked with us to be able to now proudly present this bill for third reading.

**Ms. Hanson:** I rise on behalf of the Official Opposition at third reading on the *Act to Amend the Financial Administration Act and Other Enactments* that flow from it. As we have spoken in this Legislative Assembly, the *Financial Administration Act* forms a fundamental piece of the architecture of effective stewardship of our financial and material resources of Yukon citizens. I believe it's key to our role as elected Members of this Legislative Assembly to ensure that our toolbox for the work we do on behalf of Yukon citizens is kept full and that the tools are replaced and updated to respond to the demands of 21<sup>st</sup>-century expectations for public scrutiny and accountability. The Official Opposition does support the ongoing work of ensuring that this key piece of legislation, the *Financial Administration Act*, through which so many — I would say essentially all — financial decisions taken by government are grounded in this legislation, so we will be supporting these amendments.

**Speaker:** Does any other member wish to be heard?  
Are you prepared for the question?

**Some Hon. Members:** Division.

#### Division

**Speaker:** Division has been called.

#### Bells

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

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

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

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

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

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

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

**Ms. McLeod:** Agree.

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

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

**Mr. Hassard:** Agree.

**Mr. Elias:** Agree.

**Ms. Hanson:** Agree.

**Ms. Stick:** Agree.

**Ms. Moorcroft:** Agree.

**Ms. White:** Agree.

**Mr. Tredger:** Agree.

**Mr. Barr:** Agree.

**Mr. Silver:** Agree.

**Clerk:** Mr. Speaker, the results are 18 yeas, nil nays.

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

*Motion for third reading of Bill No. 77 agreed to.*

**Speaker:** I declare that Bill No. 77 has passed this House.

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

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

*Motion agreed to*

*Speaker leaves the Chair*

## COMMITTEE OF THE WHOLE

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

The matter before the Committee is general debate on Vote 2, Executive Council Office, in Bill No. 15, *Second Appropriation Act, 2014-15*.

Do members wish a brief recess?

**Some Hon. Members:** Agreed.

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

*Recess*

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

### Bill No. 15: *Second Appropriation Act, 2014-15* — continued

**Chair:** The matter before the Committee is Vote 2, Executive Council Office, in Bill No. 15, entitled *Second Appropriation Act, 2014-15*.

#### Executive Council Office

**Hon. Mr. Pasloski:** It is my pleasure to provide some brief comments which detail the request for supplementary funds for the Executive Council Office. I am pleased to be joined by our deputy minister, Joe MacGillivray.

The supplementary budget reflects a net increase of \$541,000 in operation and maintenance funding and an increase of \$60,000 in capital funding.

I would just start by outlining the requests for operation and maintenance. At the end of the fiscal year 2013-14, there were program commitments that were not completed. Revotes are requested for the following commitments: for the Development Assessment branch, \$95,000 is requested for three projects supporting our obligations in implementing the

*Yukon Environmental and Socio-economic Assessment Act*; also, for the Development Assessment branch, \$9,000 is requested to finish maintenance and upgrading work on the development assessment review tracker — or DART — system, which could not be finished before March 31, 2014, due to a contractor capacity issue.

For Aboriginal Relations division, \$25,000 is requested to cover a transfer payment agreement with Ross River Dena Council to continue consultations related to meeting our obligations arising from the RRDC versus Yukon case. Also for the Aboriginal Relations division, \$47,000 is requested for consultation fees related to meeting our obligations arising from the decision in RRDC versus Yukon.

For the Youth Directorate, \$69,000 is requested to make final payments on 2013-14 transfer payment agreements with various youth-serving organizations that have reporting requirements that fall after the end of the fiscal year. The sum of these one-time revote requests is \$245,000.

Other O&M requests are as follows: on May 2014, a three-year funding agreement was entered into with Kwanlin Dun First Nation in the amount of \$1 million to provide one-time funding for a land-based healing facility at Jackson Lake. We are requesting \$333,000 for the Aboriginal Relations division for the first installment under this agreement.

We are also requesting \$40,000 for the Aboriginal Relations division to continue developing a protocol with Liard First Nation. Finally, we're requesting a reduction in the land claims implementation fund budget of \$17,000 to reflect a reduction in work expected to be completed.

The change in the capital vote relates to the decision that has been made to move the permanent office of the Commissioner into the historic Taylor House. Renovations amounting to \$60,000 are required before the move can take place. An amount of \$60,000 has been reprofiled from the O&M vote to the capital vote for this purpose.

These are the highlights of the significant changes in the supplementary budget and, with these brief comments, I am prepared to answer any questions from across the floor.

**Ms. Hanson:** I thank the minister for his opening comments. I would note that the Executive Council Office plays an important role because, in many ways, it functions as a central agency with responsibility for a number of the pieces that link together a lot of the activities of Government of Yukon. For that purpose, it's really important that we understand clearly any changes in operation and also focus on how effectively those roles that are set out by the Executive Council Office are being delivered on behalf of Yukoners.

I would like to start Madam Chair, if I may, with respect to the areas — I am going down simply by the branches that are set out, not necessarily by the sheet that divided it into O&M and capital. I am actually going to go alphabetically, starting with Aboriginal Relations.

In the area here — this branch of the Executive Council Office, we are told, is responsible for providing advice, research and analysis to government on issues related to treaties and self-government agreements — their implementation, aboriginal rights and reconciliation, as well

as consultation matters and First Nation relations and capacity development.

My question is: What specifically is Aboriginal Relations doing, at the direction of this minister, with respect to reconciliation?

**Hon. Mr. Pasloski:** That is a tall question and we could spend a lot of time talking about all the things this government is doing. I'm pleased to say that there is different work going on with those First Nations that have land claims.

There is some work that is going on with those First Nations — the three that do not. I'll start by saying that there is a relationship that exists between government officials and First Nation government officials on a day-to-day basis, but there also exists a relationship between the elected officials and the ministers and the First Nation elected officials.

I have, since early 2013, been meeting regularly on an informal basis with leadership. The last time I met was just two weeks ago, I believe. These informal leadership meetings are agreed to by all parties in an opportunity to get together to talk about issues and gather an understanding of where each of us is coming from. To that end, I think it creates that opportunity for everybody to hear what those challenges and opportunities are and gain a little bit of insight as to what the perspectives are from each other.

Certainly what we have talked about in this House recently is that we have embarked upon a reconciliation agreement that we are now beginning the process to discuss with the three *Indian Act* bands that still exist in the territory. This is a process that has gone through a first Cabinet approval.

It has created the opportunity to begin the dialogue with each of these First Nations, but it's also important that, as part of these reconciliation agreements on a go-forward basis is, we are also talking to the self-governing First Nations — those First Nations with land claims, modern-day treaties — because they too are very interested in ensuring that those First Nations who don't have land claims still have the opportunity to benefit from activities that occur in their traditional territories.

Having said that, they're also very interested to ensure that any agreements that we do aren't going to be similar to the agreements that were made — they can't look like the agreements that had been made with those First Nations who have land claims, simply because, at this point, the unsettled First Nations have not relinquished any claim to aboriginal right or title to their traditional territories. So I think there is always that concern as well, and the government needs to be mindful that there isn't this opportunity to have it all — to not relinquish any right or title claims to the traditional territory but also to have the ability to have all of the opportunities that exist under self-government and with the land claim agreements that have occurred.

Aboriginal Relations right now is entering into preliminary negotiations for what we're referring to as made-in-Yukon reconciliation agreements with those non-settled First Nations and the Kaska Dena Council. Reconciliation agreements could formalize a number of activities that YG is

already engaged in with non-settled Yukon First Nations and it will serve to strategically address the issues that we have mutually.

The proposal would ideally create conditions to rejuvenate the current relationship with non-settled First Nations and allow for advances in things that are, I believe, a priority for not just the Yukon government but also for those unsettled First Nations.

That work has begun. As we move forward with each of the White River First Nation, Liard First Nation and Ross River First Nation and come closer to actually formalizing an agreement, it would then go back to Cabinet for approval. We see this as a three-part process, and we are excited to move in this direction. We have informed those First Nations with land claims, and they too certainly are supportive of looking at this approach to reconciliation. We will ensure, as we have in other areas, that we have that full transparency and that we keep all of the First Nations with land claims abreast of and updated on how we are proceeding with each of the three unsettled First Nations and our willingness — and when I say willingness, I am saying a willingness from both sides of the table. Certainly there is excitement by these First Nations as well to proceed with this process.

**Ms. Hanson:** I appreciate the minister's comments with respect to reconciliation with those First Nations in the Yukon that remain *Indian Act* bands.

In my view, reconciliation is broader than just with *Indian Act* bands. The whole process of the relationship between non-First Nations and First Nations is about reconciliation. As Justice Murray Sinclair has said, reconciliation is about forging and maintaining respectful relationships.

The Aboriginal Relations section is charged with giving advice and analysis to government with respect to reconciliation and with respect to issues related to treaties. I would ask the minister opposite: What analysis of the terms of the final agreement does he rely upon with respect to his support to the amendments to the *Yukon Environmental and Socio-economic Assessment Act*, which clearly have caused — I guess the mild term would be "consternation" within First Nation aboriginal communities, as more and more is come to be understood about this?

I would ask the minister to refrain from mixing the discussion of the four amendments from the whole five-year review process because, as he has made it clear and it has become abundantly clear through the parliamentary process — and I'll remind the minister I was in Ottawa last week when Minister Valcourt and the Yukon MP spoke about this — that the four amendments were introduced after the five-year process. We don't need to go back over that water.

There are still some remaining outstanding items there, but the real issue is determining what within the Government of Yukon's analysis of Yukon land claim agreements would lead them to believe that these are amendments that are consistent with the spirit and intent of First Nation final agreements.

**Hon. Mr. Pasloski:** To further reiterate my point when I was speaking last is that, in terms of reconciliation, I think it's important to continue to point out how, through implementation of land claim agreements and self-government agreements, we are continuing that process of reconciliation with the settled First Nations.

There are, as I have mentioned, both formal and informal meetings, and there's always an ongoing dialogue to pursue common priorities and to work through differences, because there will be differences. There are differences between different First Nations as well. I think there always will be, but I think what the priorities and what the focus has to be is that we don't lose sight of what our end goal is. I do believe that one of those priorities for all governments is to ensure that there are opportunities for their citizens to be able to have a good job and care for their family. I think that is a priority for everyone.

On Bill S-6, certainly as I have articulated, we have been a very transparent — and, in fact, therefore respectful — because all our comments on the go-forward basis during that time frame — since late 2012 when Canada moved forward with their action plan to improve northern regulatory regimes — we have shared with First Nations. That began back in 2012 and as late as 2014 when they shared full disclosure of our comments to the federal government. There were no surprises, Madam Chair, as to what we were moving forward with.

I can say that we feel we were adequately consulted as a government, that we provided our comments. We believe that the Government of Canada did consider our comments prior to tabling their amendments, as we see in Bill S-6. We didn't get everything that we asked for, but that is what consultation is. We feel that we were considered prior to them tabling those amendments.

I can't speak to what level of consultation there was between First Nations and the Government of Canada. What I can say is what I heard through the Senate hearings — comments that there was extensive documented consultations with First Nations as well. Of course, through this process, the First Nations were provided with significant funding to ensure their participation through this consultation process, as I have articulated. A sum during the five-year review of \$647,000 — and an additional \$100,000 was invoiced and paid to Yukon First Nations to engage them in the consultation process while Canada was looking to improve northern regulatory regimes.

I believe, as I have stated before, that these amendments are certainly consistent with other jurisdictions, and that is a priority. I believe that all Yukoners are looking for an opportunity to ensure that they can have a good job. By ensuring that we have a process that is comparable to other jurisdictions allows us to have a better chance of attracting some of that investment. When that investment comes to Yukon — we have seen in the last decade the tremendous growth that we have seen as a result of that. Growth in over 20 percent of the population — almost 7,000 people who have moved here. As a result of that, the diversification that we see in our economy, the strengthening and widening of that

economy — so investment by the private sector, but also continued investment by this government in areas to continue to promote that diversification. I do believe that a priority for all governments is that there is a chance — a good chance, the best chance possible — to ensure that their citizens are going to be able to benefit from jobs that can come, training that can come as a result of private sector investment in this territory.

As I have also stated, I did sit down less than two weeks ago or two weeks ago with leadership. What I heard was that the chiefs wanted an opportunity to have face time with the minister, and I did talk to the minister that very same day and articulated that to the minister, who told me he was going to meet with those chiefs. To my understanding now, I think there has been an extended offer for another meeting as well. I think that what we've done is what we've done on many occasions — for example, the Carcross-Tagish First Nation had a protracted disagreement to coming to a conclusion on their financial transfer agreement with Canada. While that was a bilateral agreement where we could — we helped to facilitate and ensure that this could in fact come to a positive conclusion and I believe that that is in fact the case, and the result of that is good for all of Yukon.

We continue to work with First Nations, we continue to believe that these amendments are consistent and comparable to other jurisdictions and, as I have also talked about, I have described where these amendments came from — the four that have been discussed at some length in this House — and that all of these amendments are consistent with other jurisdictions. Some of them we did bring forward. One of them was brought forward by Canada as a result of the Yukon government seeking clarifications around reassessments, and the fourth one was brought forward by Canada and that was on the timelines.

We do believe that there needs to continue to be ongoing dialogue with everybody and, in the end, I think we all are looking at — what are those priorities? I do believe that creating opportunities for our citizens to have jobs or better jobs is something that we'll all agree on.

**Ms. Hanson:** I was not asking the minister to defend his position. I was asking the minister if he could explain the analysis because it's Aboriginal Relations — so I'm talking about the branch. What advice, research and analysis did they provide on the issue related to the treaty, the final agreement here, specifically related to chapter 12? When the minister talks about the position talks about the position of the Government of Yukon, I would remind the minister that, when land claims were being negotiated, when the UFA was being negotiated, the parties actually stood back and engaged in trying to understand and actually did a joint training to talk about interests, not positions, because as long as we're focusing from positions, you aren't going to get to a mutually acceptable outcome.

We are not at a mutually acceptable outcome with respect to Bill S-6. So the minister talks about an ongoing dialogue, but unless you are prepared to listen to the interests around the table, I am wondering how he attempts to achieve that. I would ask the minister if he could explain again the advice

and research that he got in terms of achieving the principles or objectives that are set out in chapter 12 and how these contribute to that, because that is ultimately what the governments — First Nation governments, Yukon government and the federal government — are charged with doing.

**Hon. Mr. Pasloski:** I think that the amalgamation, the reorganization that the Executive Council Office did in creating one department that is described as Aboriginal Relations very much now more accurately articulates what their role is. That certainly is around the implementing of the agreements and the reconciliation which, in part, is through the implementation of the agreements.

When it comes to YESAA, most of the work and the analysis that was done on behalf of the government was done by the Development Assessment branch — or DAP — through the Executive Council Office that is responsible for funnelling and coordinating all of the departments' focus and comments with respect to assessments done by YESAB.

It was through DAP that provided the insight and worked most closely with the federal government on moving forward, but of course, as I have said, that was working also in communication or conjunction with Aboriginal Relations and, in reality, with all the departments across the government, because, as we have stated, this process began in 2008. We have been almost seven years into this consultation process that began with the five-year review. Of course, with the proclamation of YESAA in 2003, it triggered the five-year review that began in 2008. The federal minister of the time in the fall of 2008 did send a letter signifying that that process was now over. Through that process we did have the agreement on 73 of 76 recommendations. It is an outstanding achievement. There was no agreement that there needed to be — that there would be agreement on all recommendations — 73 of 76 is certainly very outstanding. At that point, they moved forward with their action plan to improve northern regulatory regimes.

Through that process, as I mentioned, we did ask for other things that we never did receive, but I do know that certainly there were a number of suggestions made also by First Nations. One of them, for example, was the removal of CEAA from the Yukon. That really became a truly housekeeping or clarification item and was requested by First Nations through the consultation.

What we do have, as we know, is YESAA, which was a result of the *Umbrella Final Agreement* and which was a made-in-Yukon approach. As I have stated, I do believe that section 4 of YESAA ensures that the final agreements will always prevail. Section 4 of YESAA does not exist in Bill S-6 simply because there are no changes to it. The fact that it isn't there doesn't mean it's no longer part of YESAA. It was proclaimed with the original legislation. It exists today and again, it says: "In the event of an inconsistency or conflict between a final agreement and this Act, the agreement prevails to the extent of the inconsistency or conflict".

While I'm not a lawyer, I think that's pretty straightforward to me and an assurance that the final

agreements will always prevail. What will always prevail as well is the guaranteed participation of First Nations in this process. There are seven board members. Three of them are on the executive committee: one brought forward — nominated by Yukon First Nations — one by Canada and one by Yukon government. There are four additional board members, two of which are nominated by Yukon First Nations. Yukon has an additional one and Canada has one. Their participation in the assessment process is guaranteed — having three seats out of seven with YESAB — and that is not changing. It was never debated to be changed and wouldn't change. I think that there has been a lot of good work done. Certainly it appears that there was full engagement by officials from all parties during this process.

I did hear on the radio yesterday the Grand Chief saying that her officials heard about these amendments in February of this year and she heard about them in June. All what I can say is that all of the proposed amendments that we suggested and all the comments we made were transparent. We fully disclosed them and that is certainly being mindful and being respectful of others and recognizing other governments. That began back in 2012 with our initial comments and again with post-draft amendments where we again provided more comments and we shared those again with the First Nations.

My understanding — what I've heard — is that there has been consultation and certainly there has been compensation for their participation as well. Again, I believe that having an assessment process that is comparable to other jurisdictions creates opportunities here in Yukon.

**Ms. Hanson:** I just caution the minister about using the language of "compensation" for participation in a consultation process. Really? If you want to establish dialogue, you don't insult the people you're inviting to the table.

I would ask the minister if he agrees with the federal minister, who said last Monday that the way to prove that there's no inconsistency and that the First Nation final agreements prevail was to go to court.

**Hon. Mr. Pasloski:** I'm not going to speak for the federal Minister of Aboriginal Affairs and Northern Development Canada. I've learned not to listen to everything I hear in the media. Apparently it isn't always accurate. I wouldn't know anything about that, Madam Chair, but I do know that, further to that, I heard comments saying that the minister was asking for examples of where there was a conflict between the final agreements and YESAA; that he respectfully wanted to hear what they were. So I'm not sure where that conversation was.

I will again go back to reiterating that section 4 of YESAA clearly states that, if there is an inconsistency or a conflict between a final agreement and this act, the final agreement prevails to the extent of the inconsistency or the conflict.

**Ms. Hanson:** I'll suggest to the minister that he does not have to rely on the media; he simply needs to check the Hansard for the House of Commons, Parliament of Canada,

for Monday, December 1. I was there; I heard the minister; that's what he said.

I asked the minister if he could tell us what his analysis — how he grounds his analysis that the amendments proposed in Bill S-6 are consistent with the objectives of chapter 12. Relying upon the work that was provided by either the development assessment process, DAP, or Aboriginal Relations — but the objectives for the development assessment process as they're set out in chapter 12.1.0.

**Hon. Mr. Pasloski:** There were many things that factored into the recommendations and the comments that we made, and I'm sure it was the same case for First Nations as well, part of that being the process of the five-year review, but part of that also being the experiences that were gained subsequent to the five-year review and the comments that were made by people in this territory. We heard some of those testimonies at the Senate hearings as well, but the reality and the bottom line — and what I have stated many times — is that our comments were based around ensuring that we have an assessment process that is consistent with other jurisdictions, including our neighbours to the east — Northwest Territories and Nunavut. There are enough obstacles in front of jurisdictions, such as the territories, already that we have no control over. We live a long way away from markets. There isn't the same amount of infrastructure. We don't have a railway that can very affordably move large quantities of ore. We don't have as many roads and we don't have as many access points or the capacity for renewable electricity.

So there are a number of things. It just costs more to — we have longer winters; they are cold winters. There are a lot of things that are against us already, Madam Chair.

When exploration companies' and mining companies' investors are looking to where they want to go, the world is their oyster. They can go anywhere and they look at all of the factors before they decide where they want to go. It is our effort to ensure that we can put as many check marks on the positive side when companies or investors are looking as to where they want to move their money and their projects to ensure that we have the greatest opportunity to be able to attract that investment, because it is that investment of those dollars into our territory that allow us to continue to see our population grow and the expansion and diversification of our economy.

We do this in many ways — by record investment in roads, work that we are doing with our neighbours in Alaska with ports — not just on roads in terms of the construction, but functional plans on roads — what we are doing in terms of creating the ability to use LNG essentially as a transitional fuel, which is cheaper and cleaner burning, creating better opportunities, because we know that for projects their energy costs can be 40 or 50 percent of their expenses. There again, if we can create an opportunity to lower their expenses, then perhaps we get to the point where they can make money and then a project goes forward. We are also investing in training by creation of the Centre for Northern Innovation in Mining. We also invested in mobile trades training trailers.

We are pulling the levers that we can, where we have some control to do the things that we can do to ensure that we have the greatest chance of having companies or investors look at Yukon, saying that this is the place where we want to be. That also involves the Minister of Economic Development, or myself, who have gone to many places — along with industry — to promote these projects and to promote Yukon as a place that has world-class regulatory processes and a government that by policy supports this industry. This is the party in this territory that supports its industry and so we are out as well, doing what we can, to help facilitate — whether it's Cambridge House or it's the Prospectors and Developers Association of Canada; whether it's the mineral Roundup; whether it's Denver Forum; whether it's in Europe — or wherever we need to go.

We continue to support and build awareness, listen to industry through the Yukon Minerals Advisory Board, listen to companies and work together to try again. As I mentioned, I believe the goal is to create opportunities for our citizens and for our children to be able to have good-paying jobs and careers, raise a family and stay here in Yukon. I have four kids, Madam Chair. I would love nothing more than having all of those kids come back and live and be contributing citizens in our territory.

I think that is important. We continue to talk about the extraction industry. Of course I can mention the record investment in tourism that we have just done this year — \$3.6 million over two years of continued investment in overseas marketing that we doing, the trade missions that I have gone on for tourism, or the Minister of Tourism has done to Europe and Australia, and I believe that there are other trips that will be planned as well.

So we're continuing to focus on creating opportunities for Yukoners to be able to get good jobs as more people come here. There are more opportunities for people to say, "I see a niche here" or "Maybe I can start a business and be successful as an entrepreneur." As we continue to build and grow a private sector economy, that's what pays the bills. People who are working the private sector, companies and individuals paying taxes to the government allow the government to provide those services and programs that we all want, and when we hear everyday cries from the opposition that we have to do more and we need to do more and we need to pay for this — but, of course, there is never any plan on how they would pay for all of that stuff because I guess it's back to the money tree in the backyard.

We continue to focus on how we can ensure that we're creating an environment that we will all benefit from, and that certainly includes partnering with First Nations. I know that there are lots of people who are excited about the recent meetings, the first set of meetings, that the Minister of Energy, Mines and Resources, who is responsible for the Yukon Development Corporation, Yukon Energy Corporation — that they were out with some public meetings. I believe it will be late January when the next set of meetings will come out.

There are real opportunities for such projects — legacy projects — that could, with partnership of First Nations,

ensure a revenue stream that would exist for decades. Certainly we are committed to our long-term vision of more renewable hydro energy because we do believe that this is a game changer for this territory and that this will help share the economic and also the social and cultural aspects of this territory for decades to come.

**Ms. Hanson:** I will surmise from the response that the minister has not in fact read chapter 12. I asked only a question about chapter 12 and how he grounded his analysis to support the amendments that are contained in Bill S-6.

I would wholeheartedly agree with him that the mining sector does look at all the factors at play, and I would remind him of what we heard very clearly. If the minister and his colleagues would actually not — you know, actions speak louder than words, and so it's participating in the dialogue that he likes to talk about a lot. There was an extensive dialogue during the Geoscience Forum during the investment forum that was sponsored by the Yukon Chamber of Mines, and it was reiterated time and again that capital is mobile and the flight of capital occurs where there is no certainty. They are seeking certainty.

I would ask the minister if he could give a sense of how he intends to respect or respond to the views expressed by the presidents of Casino and Kaminak, who have asked the government to try to find a way to get — basically to defuse. I don't have the letter in front of me — but to defuse the concerns that are out there. These companies know that the key thing that they need for effective operation in attracting the investment that they require and that we need if this territory is going to have the robust extraction industry that we're looking for — they need social licence.

What he has taken away from these companies is social licence and their ability to say to investors around the world — it doesn't matter how often the Premier goes to Denver or how often his ministers go to the markets elsewhere. They will not get that money if there is no social licence, and capital knows that. The moment you start talking about lawsuits — and we've heard this time and again, not just from the investment sector, but from the CEOs of mining companies who are trying to get operations going in this territory.

I'm interested in how he will respect the views that were expressed by these CEOs, by the presidents of these two companies, who put them forward very respectfully — what they are looking for in answer — and all Yukoners are.

**Hon. Mr. Pasloski:** Yes, we read those letters, and exactly what they're asking for is what we've heard from industry forever — certainty.

With the ongoing threat of legal action by First Nations, it does not create certainty in itself. That is, in fact, what we're talking about right now in terms of the uncertainty. Yukon government's not threatening legal action, and I think the record will show that, of the court cases that are out there — and certainly it isn't the Yukon government that has been filing those, and we can have that discussion on another day.

I will reiterate the efforts that have been made — either through conversations by myself to the federal minister, going to leadership, speaking on a one-to-one basis with individual

First Nation chiefs — are all part of that ongoing process. So yes, does industry want certainty? Absolutely they do. I guess, again, I have to go back to saying that, ultimately, what are some of the long-term goals or priorities for all the governments? I do believe that creating opportunities for our citizens is a priority for all levels of government.

I guess that both opposition parties continue to forget that this isn't our legislation. This is federal legislation. We were consulted. The *Yukon Environmental and Socio-economic Assessment Act* is federal legislation for which we provided our comments to the federal government. We believe we were consulted adequately, that they considered our comments prior to tabling their amendments. We didn't get everything we wanted, but I know that First Nations provided comments as well.

Of course, Bill S-6 — S-6 means that it did start in the Senate, and that means that it has already gone through the Senate process. It has gone through hearing and, as we know, was passed unanimously in the Senate by all members — all the independent members, all the Liberal members and all the Conservative members in that House.

I think one of the things that are always important to remember is that consultation doesn't mean that it's not adequate until you get everything that you want. I think that that is very important — that consultation doesn't mean you continue to consult or you state that you did not get consulted until you get everything that you want. We didn't get everything that we wanted, but we do feel that we were asked.

We were asked for comments. There was engagement, we provided comments and we believe that they were considered prior to them making their decision on which amendments they were going to move forward for.

I think that that is also something that needs to be considered — what is that expectation around consultation? Does it just mean that it wasn't adequate because we are not satisfied with the end result?

Again, we do believe that this process has gone on for almost seven years. We provided our comments to the First Nations for transparency and disclosure beginning back in late 2012 and again after we considered the draft amendments that Canada proposed in early 2014.

**Ms. Hanson:** I would just remind the minister that reconciliation is about forging and maintaining respectful relationships, and there are no shortcuts. There are no shortcuts — this issue is deep; it's profound. It has implications that I am not sure the minister opposite is aware or even can plumb the depths of them.

Let's move on to the other activity that the government speaks often about and that is intergovernmental relations and accords. I have heard the minister opposite speak to those often. So when I look at the website and I see that — I would have assumed, and I guess I was just assuming based on the level of language that comes from the opposite side, that there were intergovernmental accords with everybody — all Yukon First Nations. So I was surprised to see that there are four listed on their website: Kluane First Nation, July 29, 2013; Vuntut Gwitchin First Nation, August 1, 2013; Champagne

and Aishihik First Nations, July 26, 2008; and Na Cho Nyäk Dun, June 26, 2009.

The common theme, or common aspect, of each of these intergovernmental accords is that they say that, among the various objectives, that the parties agree to develop action plans within 60 days of the signing of the accord, showing how priorities agreed to by Yukon government and the Yukon First Nation will be addressed.

Can the minister outline for this House what — or table, if he doesn't have it at his fingertips right now — the priorities that are agreed to by the Champagne and Aishihik First Nations, Na Cho Nyäk Dun, Vuntut Gwitchin and Kluane First Nations — what those priorities were?

Clearly we've had some time now — because at minimum, there's a year; at max, we're talking five years — so there's lots of time to have developed the priorities in the work that would be done by these two levels of governments to achieve the objectives of the intergovernmental accord.

**Hon. Mr. Pasloski:** The objective of these accords is to provide a framework for our governments to work together on identified common priorities. In the summer of 2013, accords were signed with Kluane First Nation and Vuntut Gwitchin First Nation and discussions are ongoing with a number of Yukon First Nations regarding potential accords.

Discussions are ongoing with Carcross-Tagish First Nation, Champagne and Aishihik First Nations, Kwanlin Dun First Nation, First Nation of Na Cho Nyäk Dun, Ta'an Kwäch'än Council, Tr'ondëk Hwëch'in and Teslin Tlingit Council regarding potential accords.

There have been a number of successful initiatives arising out of past intergovernmental accords with First Nations, such as the experiential on-the-land education program with the Vuntut Gwitchin First Nation. These accords help each government to focus their efforts on common priorities. They provide direction for officials to agree and to work on those priorities that are established within the accord.

In the past, accords have been signed with: Vuntut Gwitchin First Nation in 1999 and renewed in 2003; the First Nation of Na Cho Nyäk Dun in 1999 and renewed in 2009; Tr'ondëk Hwëch'in in 2000; and Champagne and Aishihik First Nations in 2008. In 2013, the accord process was revised to broaden its purpose to more effectively engage with individual First Nations on priority matters. The process now includes developing joint action plans and incorporating timelines with lead contacts.

In September of this year, Aboriginal Relations met with Kwanlin Dun First Nation regarding the development of an accord. The two parties are currently discussing joint priorities for inclusion in this accord.

So some of the past successes that the member opposite asked for — the Champagne and Aishihik First Nations accord in 2008 led to an agreement and funding regarding Champagne and Aishihik's cultural centre — the Da Ku centre; led to the finalization and ongoing implementation of the bison management plan; and led to the implementation of the *Strategic Forest Management Plan*.

The Na Cho Nyäk Dun accord in 2009 — a health and social issues working group was established and has made substantial progress toward addressing mental health issues in the community. The First Nation land and resource manager spent a year working on secondment with Energy, Mines and Resources, Mineral Resources branch. Energy, Mines and Resources provided funding to enhance First Nation capacity in the mining sector through the negotiation of impact benefit agreements.

Some examples of the intergovernmental accord with Vuntut Gwitchin in 1999 and renewed in 2013 — led to the ongoing collaborative work with VGFN on oil and gas development. It led to the implementation of the Fishing Branch management plan. Public school programming in Old Crow was adapted to the needs of the community through experiential on-the-land programming that — certainly, the Member for Vuntut Gwitchin and the Minister of Education were out last spring, I believe, in Old Crow Flats and joining the kids on a truly memorable experiential land experience which incorporates classroom and on-the-land education.

These accords establish a list of common priorities that both the First Nation and Yukon governments agree to work on together. It tasks the officials to be focused on those areas and it creates opportunities for meetings between elected officials as well.

These accords have been very beneficial. First Nation governments find it's always challenging to do all the things that you need to do. I know in conversations I've had that most First Nation governments are interested and keen to be able to work in such a partnership. I know that, through time and through these negotiations, we'll continue to see more First Nations invest the time to commit to an intergovernmental accord and reap the benefits of that at that point.

**Ms. Hanson:** So as we said, there are four of these — two of them completed in one year and two completed in two other years. Does the minister have a timeline for the completion of the remaining seven First Nation accords?

**Hon. Mr. Pasloski:** There is no timeline, as I articulated. First Nation governments are busy with a lot of things on their plate at any given time. Our officials are ready. I had — not that long ago — actually, spoken to each of the chiefs across the Yukon and reiterated that invitation to move forward with an intergovernmental accord and provided them with contact information of the people their officials should contact when they're ready to go forward.

Many times, when I'm meeting with chiefs, there is the opportunity to discuss things that could, in the end, result in forming the basis of an intergovernmental accord. The goal then is, over time, to be able to renew them and continue to change what those priorities are, because I think that's what the goal is — bite off what you can chew and then reach those goals during that time frame, with the opportunity then, with time warranted, to be able to look at new priorities and create a renewal on an accord at that time.

**Ms. Hanson:** So \$25,000 of the supplementary budget is a revote to cover a transfer payment to Ross River

Dena Council to continue consultations related to meeting Yukon government obligations arising from the *Ross River Dena Council v. Government of Yukon* case. Can the minister tell us what the cumulative total is for activities related to the consultations related to meeting Yukon obligations arising from the *Ross River Dena Council v. Government of Yukon* case?

**Hon. Mr. Pasloski:** The money is for the obligations to provide funding for the first and second declaration of the *Ross River Dena Council v. Government of Yukon* case.

**Ms. Hanson:** Yes, I understand that. That's a reiteration of what the actual documents says and what I just said. What I asked is — this is a revote of \$25,000. What is the cumulative total — i.e. the amount spent to date — to continue consultations related to Yukon government's obligations arising from the *Ross River Dena Council v. Government of Yukon* case?

**Hon. Mr. Pasloski:** The cost to date is \$75,000 for consultations respecting declaration 1 in *Ross River Dena Council v. Government of Yukon* and there is a \$50,000 outstanding transfer payment agreement for consultation related to declarations 1 and 2 for that same case. Those are the costs to date.

**Ms. Hanson:** There is a revote for consultant fees also related to meeting Yukon government's obligations arising from the decision in *Ross River Dena Council v. Government of Yukon* — that revote is \$47,000. Is this for an internal or external consultant?

**Hon. Mr. Pasloski:** The amount of \$47,000 is for an outside consultant.

**Ms. Hanson:** There is \$40,000 funding requested to continue to develop a protocol with Liard First Nation. What is the cumulative total for funding toward the development of a protocol with Liard First Nation and what is the nature of the protocol with Liard First Nation?

**Hon. Mr. Pasloski:** To date, there is \$8,785 for consultation protocol negotiations. What this money going forward would be, which I had articulated earlier, for moving forward in terms of the discussions and agreement on a reconciliation agreement. That is the new approach the government has taken through direction from Cabinet, and we will be using that money on an ongoing basis in working with Liard First Nation to create a reconciliation agreement.

**Ms. Hanson:** Did the minister say \$8,000 cumulative total. Because it is \$40,000 requested. I am just looking for what the cumulative total is.

**Hon. Mr. Pasloski:** I said that the costs to date were \$8,785, but we are requesting this money roll over and we will be using this money toward the reconciliation agreement. As I have mentioned, a reconciliation agreement can be large and diverse and can include many aspects, including engagement and participation in economic agreements through various types of aspects of the economy. Of course, consultation is also another component that we would have in a reconciliation agreement. So we have spent under \$9,000 to date. We are moving this money forward in an attempt, as we have said. We have engaged with all three *Indian Act* bands to move

forward in a goal of creating a reconciliation agreement with them.

**Ms. Hanson:** The minister will be disheartened to know that I am moving forward now to Audit Services. The services in Executive Council Office — the Government Audit Services branch — is charged with working to improve the efficiency, effectiveness, economy, and accountability of public sector programs.

The Audit Services branch did produce an audit of the Yukon *Environment Act* — their final audit report in September 2014 — and prior to that the audit of the Public Service Commission in 2013. I have a couple of questions for the minister with respect to Audit Services.

Is there an annual audit plan? Is there a multi-year forecast for audits in terms of departments that will be audited and what is the forecast in terms of auditing? How many are anticipated to be audited? What role does the minister as the minister responsible for Executive Council play with respect to the findings from government audits? Does the Premier have an oversight role with respect to those ministers responsible and how are ministers held to account internally? Certainly if we ever had an opportunity to debate any of these audits in the Legislative Assembly, there would be accountability through the Legislative Assembly, but given that the Audit Services branch is charged with doing both investigative and advisory services — and I'll read it: the investigative audits are: "Used to scrutinize allegations of wrongdoing or breaches of government standards of conduct; allegation that may come from inside or outside government; records of individuals, organizations and firms with agreements with the Yukon government may all be examined; and any allegation that leads to an investigative assignment must be recorded."

Then they do advisory ones when a department requests a review or advice and those tend to be more highly focused and less comprehensive. But the real issue is that, knowing that these are important tools for accountability, my question remains: Is there an audit plan? Is it done on an annual basis? How many audits are planned? Is there a five-year forecast? Again, what is the role for the minister responsible for Executive Council Office with respect to the findings?

**Hon. Mr. Pasloski:** The government Audit Services branch works to improve the efficiency, the effectiveness and the accountability of public sector programs. The branch is currently preparing a risk-based, multi-year audit plan in consultation with senior management and the audit committee. An annual operational audit plan will be developed from this.

The director of internal Audit Services selects audit projects through a risk-based planning process and submits them to the government's audit committee. The committee reviews and recommends the multi-year annual audit plans to Management Board to which it is accountable.

Correctional Services is being audited by the federal office of the Auditor General. As a result, this planned internal audit has been removed from Yukon's audit plan quite simply to avoid duplication.

So as I have stated, it is accountable to Management Board. There is an annual audit plan and, quite frankly, it depends on the size and the scope of those audits as to whether there would be one or two audits a year and at this time Audit Services is working on a multi-year plan on a go-forward basis.

Just for the record too, I guess, there was no appropriation for Audit Services in the supplementary budget.

**Ms. Hanson:** The next area is Development Assessment branch and, in fact, there is an appropriation.

I would ask the minister — there is a whole series — so this is a revote for development assessment review and as the minister opposite indicated, it was due to lack of contractor capacity.

When I look at the contract registry for Executive Council Office, there are in fact one, two, three, four, five, six minimum contracts related to DART, the development assessment review tracker. My question — it says that these are all direct awards. Does that mean that they were done without competitive process or tender?

**Hon. Mr. Pasloski:** The development assessment review tracker — DART system — for \$9,000 is a database that manages Yukon government's participation in the YESAA process. Its basic function is to enable departments to provide their comments on projects' potential for environmental and socio-economic effects as well as develop Yukon government's decision documents.

The original contract would have been to a competitive bid, but once you begin down a path with that person, when there are minor changes or requirements or enhancements that are made, it certainly makes sense economically to be able to continue to work with the same provider as opposed to going out on a competitive bid for a small amendment. I think that falls within the guidelines that are specified as to what the authorities of the department can do, and it also just make sense as well.

**Ms. Hanson:** The minister seems to have anticipated my next question because yes, there are a series of these five amendments. In fact, some of them are for zero. What is the cumulative total for the development assessment review tracker system maintenance and upgrade?

**Hon. Mr. Pasloski:** I do not have that number. I will have to attempt to provide that for the member opposite.

**Ms. Hanson:** Do I take that as an undertaking that the minister will in fact provide this Legislative Assembly with an update on what the cumulative total is to do the development assessment review tracker system maintenance and upgrade project?

**Hon. Mr. Pasloski:** That is what we will do.

**Ms. Hanson:** There is in the revote for the Youth Directorate for final payment obligation for transfer payment agreements in place with various youth groups throughout the territory. It is a revote of \$69,000. I have a question for the minister with respect to the funds provided under the youth strategy initiative. I note that when I look at Public Accounts — and there was an announcement several years ago that this government had provided core funding all exactly the same —

\$220,000 — to Boys and Girls Club, BYTE and Youth of Today Society.

My question is: Are — because it would appear not — these amounts indexed for cost of living, or are they static at \$220,000? That's one question, Madam Chair. The second part to that question: For these youth organizations that are in receipt of this core funding, are there any limitations to these organizations in terms of applying for funds from Health and Social Services, Economic Development, the community development fund? Those are the gist of the questions I'm asking with respect to whether or not the contributions are indexed for cost of living, or any other index that the minister would want to apply, and, secondly, if there are any limitations to these NGOs with respect to seeking project funding or anything else from government departments or agencies.

**Hon. Mr. Pasloski:** It is this Yukon Party government that, not long ago, doubled the contributions to those organizations from \$110,000 to \$220,000 annually to provide for the work that they do, but it is a static number. It is static; it doesn't have a rider on it.

The other part of the member opposite's question is: Are they eligible to apply for different funding streams? The answer to that is yes — certainly the CDF, and there are funds through Education, Health and Social Services, Economic Development, and they are able to do that and, in fact, do do that.

**Ms. Hanson:** First I have a question that perhaps the minister or his deputy could answer for me. What are the limits for sole-source or direct contracting? Are there limitations in terms of severing them so as not to reach that sole-source amount? So if the sole-source authority for the deputy is X thousand dollars, is he restrained from breaking out contracts into a series of Ys, so it avoids getting to the X?

I'm looking for a number and not an alphabet, Madam Chair.

**Hon. Mr. Pasloski:** I think I will restrict my comments to a couple. One is that it is, again, this government that created a procurement office to deal with some of the challenges that exist for procurement — and not only the creation of a procurement office, but the literally thousands of people who have already been trained as a result of the commitment to procurement. I know that, when it comes to procurement and its policies, I'm sure the minister responsible and his deputy will enjoy getting into the finer details of procurement.

**Ms. Hanson:** My question was simply about the spending limits of the deputy and senior officials within the department. Are there gradations of spending limits for that deputy minister — assistant deputy minister, director?

**Hon. Mr. Pasloski:** I think I'm getting what the question is. Depending on the level, starting with the minister down to the deputy and to the assistant deputy minister — is clearly articulated as to what those limits are, and they vary, depending upon what type of expense it is as to what their limits are. Those are the obligations that all of us do comply under, and amounts over that, of course, then become the

decision, depending what this is, as to whether this is something that has to be dealt with by the Management Board.

**Ms. Hanson:** Great. I guess I don't get an answer to that. Thank you, Madam Chair. There are a series of contracts that are under the Executive Council Office. One is contract 1182182 and another one, 23223, all for the same numbered company. One is for \$171,000, one for \$27,000, and one for \$23,000.

Could the minister explain what the Water Board coordinated on-line information network — when it is a direct award. My reason for asking the prior question was to ascertain whether or not these were following public tender processes when I see direct — and I am asking about authorities and levels. It is a clear issue of accountability, so it is not a “got you”. It's a “can you explain”. When I don't get the answer, I simply have to come back and say, so tell me how you give a direct award for over \$200,000 to a numbered company. It doesn't look great. I just want to know. So tell me: Is it a direct award, or was there a tender?

**Hon. Mr. Pasloski:** I have no clue what those contract numbers are, at this point in time. I am unable to provide an answer to those questions. We can get back to the member opposite, but I think she can certainly understand that with not even any names, just a contract number, I have no ability to answer that question.

**Ms. Hanson:** There are a number of other contracts that are of interest. When the Minister of Economic Development was before the Legislature debating his budget, I asked him a question about a contract that had been let to do a mine site visit. In that case, it was about \$25,000. We discussed that. I notice that there is a contract in Executive Council Office, and I am just wondering what role Executive Council Office has with contracting charter flights to a mine site.

**Hon. Mr. Pasloski:** Again, with absolutely no detail, it is impossible to comment on what this is. I can hypothesize that this could have been a trip by the Water Board members who went out to a mine — because the Water Board does fall under the responsibility of the Executive Council Office. But again, I am presuming. I don't know. The member opposite is throwing no information out there and expecting a detailed response. Unless she is willing to provide more detail, we don't have an answer to her question.

**Ms. Hanson:** We seem to be in a catch-22 because I am providing the information to the minister that is on the contract registry. The public and the members of the Legislative Assembly have no more information than what is provided on that contract registry. Hence, as a member of the Legislative Assembly debating a budget for which this minister is responsible, I am asking him the questions. I am not trying to guess what the contract is about. I am assuming that the minister responsible for the department and the budget he signed off on would know it, or else he would ask his officials.

I have a question for the minister with respect to the relationship and the funding provided to the Commissioner's Office. We heard today that there was an internal transfer —

\$60,000 — re-profiling to retrofit the Taylor House for the office of the Commissioner. I note that one of the other functions — or one of the other transfer payments — that comes from the Executive Council Office — and again I am not making this up, Madam Chair, this is from the Public Accounts. So the other transfer payment that comes from this branch is for the Yukon Heritage Resources Board, which in 2014 Public Accounts was \$208,117.

Is Executive Council Office planning to assist the Yukon Heritage Resources Board, as they have assisted the Commissioner, with respect to find and/or retrofitting accommodation space since they were, I guess, politely evicted from the Taylor House to make way for the office of the Commissioner?

**Hon. Mr. Pasloski:** To the last question, with all the due diligence that the member opposite was doing, she would probably have also known at what levels the minister would sign off on expenses. I certainly did not sign off on the expense that she had tried to describe. Again my presumption would be that it perhaps could have been a trip that was done by members of the water board.

As for this question — we are here debating the supplementary that we have before us. I did not bring my Public Accounts with me because that's not what we were having debate on today. Certainly what I do know is that the board has been relocated temporarily at this point. If there is a requirement or if there will be funding available, it wouldn't be through the Executive Council Office; I suspect it probably would be something that would be looked at or considered through the Department of Tourism and Culture.

**Ms. Hanson:** Could the minister tell me what approval level is required for catering for meetings within Executive Council — for example, with the communications committee? Some governments across Canada — provincial and federal — have basically determined that catering is a rare thing. It's very rare to see much beyond coffee. I'm wondering, what is the scope of the authority for catering costs within the Yukon government, particularly in his department, ECO? What is the approval level for catering for meetings of staff? I'm not talking about external. I can certainly see from the contracts that there are a variety of other events that Executive Council has paid for the catering of, but I'm talking about internal — of staff — catering costs.

**Hon. Mr. Pasloski:** Madam Chair, I'm a bit speechless, I have to say, that we're getting down to this. I can say that certainly when it comes to meetings of the staff, the deputy has informed me that certainly it doesn't usually go any more than providing coffee. I am sure there is the odd special occasion, as there was in my business when I ran my business. I think there were times when I made that decision. For me to stand up here and describe if it was \$20 or \$200 for catering and again not actually requesting what it is exactly, I am left speechless and really don't have an answer for that question. I was thinking if we were going to talk about money, we would actually talk about what was in this supplementary, but talking about \$200 in catering — I was not prepared for that question.

**Ms. Hanson:** It is the minister who quantified it. I was looking for authorities and approval levels.

But he did raise the thing about quantities, so perhaps when I look at the contract registry — the Premier had a reception at the Château Laurier for \$16,000. I have always been curious about what these things cost.

Can the minister tell us what the Yukon night reception cost?

**Hon. Mr. Pasloski:** I guess the last Yukon night was in the previous fiscal year. I don't have that information in front of me. We are debating the supplementary. I don't know what Yukon night costs.

It is an opportunity where we showcase the great talents of a lot of Yukon artists, not only through that event, but showcasing them during Yukon Days, which is a celebration of Yukon during Winterlude, where we create that opportunity and have done that proudly every year, as we have an ongoing investment in the arts community. The government has provided more, and invested more, in arts and culture than any government in this territory's history.

Yukon Days is also an opportunity to have a meet-and-greet on a less formal basis with many different individuals in Ottawa, from Cabinet ministers to regular Members of Parliament, but also many of the government officials as well — members of the Privy Council Office and senior deputies in various departments. I think it is an opportunity to build those relationships. The result is that we continue to forge ahead on priorities that are important to both the government of the day in Ottawa and the government here in Yukon.

We're always looking for ideas on how we can continue to leverage and gain more experience, more exposure for Yukon and Yukon tourism and more exposure for Yukon artists. Every year we learn a little bit more and we continue to move forward to try to ensure that there is a maximum value for these trips for the money that is invested. It is through those investments that we continue to work closely with the government in Ottawa to meet those priorities that are mutual to both of us.

I'll just use — an example of working together is the recent announcement between CanNor and our Department of Tourism and Culture on the Yukon Now marketing plan, the largest investment in tourism marketing in Yukon's history — \$3.6 million over the next two years.

**Ms. Hanson:** I would have thought the minister would be able to tell us, as the Minister of Finance, what is forecast to be expended when he hosts the Yukon night at the Cordilleran Roundup, as well as his Premier's reception. I'm not talking about his boat tour; I'm talking about what he's planning to spend for the reception and for the Yukon night at the Cordilleran.

**Mr. Silver:** Thank you to the member from the department for his time today. I do have a number of questions — I'm sure we're not going to get to them all today here, but I will start.

We did bring up the Ross River staking ban, but a couple of questions weren't asked, so I'm going to go back to that to start with. In 2013, as a result of another court battle with the

First Nation government, the Yukon government was under a court order to find a way to work with the Ross River Dena Council on what land would be available for staking in the traditional territory.

Now, I did ask the Minister of Energy, Mines and Resources about this issue in November, and he said that the staking ban would be lifted in January. Can the Premier please confirm this? I'm wondering — once again, these questions were asked of the Minister of Energy, Mines and Resources, but also suggested to be asked here as well — have the negotiations been completed and what outstanding issues remained unsolved in order for the ban to be lifted?

**Hon. Mr. Pasloski:** The Yukon government's consultation with Ross River Dena Council on the Yukon Court of Appeal's declaration regarding staking in the Ross River area has been ongoing, as the Minister of Energy, Mines and Resources has said. We did extend the prohibition of mineral staking to an additional — I believe it was seven months, ending at the end of January 2015.

We have also undertaken considerable consultation with the First Nations with regard to this. As we have articulated, we have provided initial funding for this process and some additional funding after that. What I will say at this time is that we are proceeding and we don't have any announcements to make as to where we are going. We have established a goal, which we have said publicly, that the staking period would be extended to January 31, and we will provide updates on a go-forward basis.

**Mr. Silver:** It is kind of a step back from what we heard from the Minister of Energy, Mines and Resources, so I'll just ask the questions again.

Have the negotiations been completed? If not, we're just wondering what are the outstanding issues, if these negotiations haven't been finished — because we did have a confirmation that this was going to be taken care of by the end of December — I believe were the minister's words in Hansard. I'll have to take a look again in Hansard to see if that's what he said, but I believe it was the end of December — which we were told in this House.

**Hon. Mr. Pasloski:** I don't have a definitive answer at this time. There was, sadly, a bit of a health issue for one of the people who was responsible for this with Ross River Dena Council, so we have looked at that on grounds that are less legal, but just considering that — the fact that there has been a change there — we've been cognizant of that. We are committed to moving forward with both of these declarations — declaration one on staking; declaration two — the work that has been done by Energy, Mines and Resources minister in terms of establishing — really looking at the thresholds for staking — for notification, I'm sorry. I think that certainly there is some reason to look at this across the territory.

I know he is working with two of the chiefs on a formal basis to go forward on how we're going to do it because, quite honestly, this industry is important to everybody, including all of the First Nations. Certainly the resource industry is the largest — has been the largest — employer of Yukon First Nations and with — as I talked about earlier — it's

investment through exploration, investment in mining and investment in people, injecting into projects, is what creates opportunities for all of us.

We're confident that we continue to do the good work with our officials and with the Ross River Dena Council to come to a successful fruition to this.

**Mr. Silver:** I do appreciate the minister's answer on that, but it sounds to me, with health issues from some key individuals — stakeholders — here and from non-commitment right now, it sounds like negotiations have not been completed. So we're looking forward to those negotiations being completed. This is a very large land mass that is now under a staking ban.

Let's move to resource royalties agreement. On October 29, 2012, the Premier announced the terms of a new resource royalty agreement with 11 self-governing First Nations — Yukon First Nations — were agreed to. Since then, how many First Nations have signed into the agreement, and is the new deal now currently in force?

**Hon. Mr. Pasloski:** Back to the last question. I guess I should have summarized by saying that the moratorium on staking still exists until January 31, so we'll be able to provide information in due course.

On the resource royalty sharing agreement — as the member opposite is aware, there are eight that have signed. There was originally agreement among all of them to sign. There was some concern that was raised. At this point, we still have eight that have signed and three that are outstanding. However, I do remain confident that, in the foreseeable future, we will see agreement by all 11 First Nations with final agreements — that will sign on to the resource royalty sharing agreement.

**Mr. Silver:** Water Board regulations: In August 2013, a set of interim guides were issued by the Yukon Water Board for oil and gas. Now, these new guidelines increase the jurisdiction that the Water Board has over the oil and gas industry. These new guidelines treat all methods of oil and gas extraction the same, as being water-intensive. Now, conventional oil drilling uses far less water than hydraulic fracturing, but the water permits under the new guidelines do not differentiate.

I did ask this question in Question Period with the Minister of Energy, Mines and Resources. He agreed that there were some issues of fairness that the changes — particularly for one company that is in the middle of assessment — so it is going to deal with one company more so than another company, as the rules of the games have changed midstream here.

It begs the question — and if the minister can help shed some light on this: Why exactly have these changes been made?

**Hon. Mr. Pasloski:** The act itself has not changed and so there is no change in the legislation. There is continued dialogue between the company in question and the Water Board, as well as ongoing conversations within Energy, Mines and Resources. I think the minister articulated that quite clearly. I have nothing further to add or update on it.

**Mr. Silver:** Well, I have more questions to get on the record on it. The Minister of Energy, Mines and Resources had said that these regulations are unfair to some companies. What is being done to rectify this?

**Hon. Mr. Pasloski:** As I already articulated, I think that there are ongoing discussions. I concur with the minister's comment about what the situation is, but the Water Board is having discussions with the company in question. They continue to also be fully engaged with the Oil, Gas and Mineral Resources Division and, as we all recognize, the Water Board is quasi-judicial, supported through the Water Board Secretariat. That is a function of Executive Council Office and we also are certainly, as we are with all the companies that are investing in Yukon, continuing to work with them and understand their perspective.

As we have already talked about, we are looking forward to opportunities to look at our licensing processes through the water licence and through the quartz mining licence and see where there are opportunities to create a more streamlined process.

We believe that there are opportunities to do that — not compromising the process that we have, but making it more efficient. Certainly, I don't believe that there is ever an opportunity because of the acts without changing the acts, and that isn't being contemplated but, with the acts as they exist today, there would be never a way to formally remove all of the duplication that could exist. However, I think that working together with the Water Board, with First Nations, with industry and with government, we can find a way to make sure that these processes can be as efficient as possible.

Madam Chair, seeing the time, I move that you report progress.

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

*Motion agreed to*

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

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

*Motion agreed to*

*Speaker resumes the Chair*

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

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

#### **Chair's report**

**Ms. McLeod:** Mr. Speaker, Committee of the Whole has considered Bill No. 15, entitled *Second Appropriation Act, 2014-15*, and directed me to report progress.

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

**Some Hon. Members:** Agreed.

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

**Hon. Mr. Cathers:** I move that the House do now adjourn.

**Speaker:** It has been moved by the Government House Leader that the House do now adjourn.

*Motion agreed to*

**Speaker:** This House now stands adjourned until 1:00 p.m. tomorrow.

*The House adjourned at 5:25 p.m.*