



Yukon Legislative Assembly

Number 215

1st Session

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HANSARD

Wednesday, May 20, 2015 — 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

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

GOVERNMENT PRIVATE MEMBERS

Yukon Party

Darius Elias	Government House Leader Vuntut Gwitchin
Hon. David Laxton	Porter Creek Centre
Patti McLeod	Watson Lake

OPPOSITION MEMBERS

New Democratic Party

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

Liberal Party

Sandy Silver	Leader of the Third Party Klondike
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Yukon Legislative Assembly
Whitehorse, Yukon
Wednesday, May 20, 2015 — 1:00 p.m.

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

Prayers

DAILY ROUTINE

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

Are there any tributes?

Introduction of visitors.

Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Kent: I have for tabling the annual Fleet Vehicle Agency report as well as the report of the Queen's Printer Agency.

Speaker: Are there any other 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. Silver: I rise to give notice of the following motion:

THAT this House urges the Government of Yukon to accept recommendations made by the Yukon Minerals Advisory Board by:

(1) working to regain competitiveness and rebuilding investor confidence in Yukon's mining sector;

(2) adequately funding the Water Board so that it can respond in a timely manner to mining applications; and

(3) implementing regulatory improvement and reform that will move the Yukon beyond being, in the words of the board, a true mining jurisdiction instead of a predominately exploration jurisdiction.

Speaker: Is there a statement by a minister?

This then brings us to Question Period.

QUESTION PERIOD

Question re: Land development within City of Whitehorse

Ms. Hanson: Yesterday, the Education minister, on behalf of the Yukon government, sideswiped the City of Whitehorse. Once again, the Yukon Party chose confrontation over consultation. This time, the government says that Whitehorse City Council needs to accept the Yukon Party's decisions to build a new school on the site currently occupied by Whitehorse's only skatepark — decisions made without collaboration with its partners at the City of Whitehorse.

How did the Yukon Party government make its point? It was by signing up to appear before council on the day of the meeting. You have to hand it to the Premier: his repeated snubs at Whitehorse City Council make for a great case study in how not to build relationships.

Why does the Premier think that he can dictate to the City of Whitehorse where and when Yukon government projects are to be built and expect to maintain a positive relationship?

Hon. Mr. Graham: The only thing this question shows to all of us is how out of touch the member opposite is with reality. Had she carefully listened to what I had to say yesterday and had she paid attention to the discussion at that time, which was about a skateboard park, she would have known that any skateboard park location chosen by the skateboarders themselves or where they would like to see such a facility constructed would be subject to a long list of consultations by legislation. It's called the *Municipal Act* and obviously the member opposite hasn't heard of it.

Any site selected would have to go through a consultation process. Whether it was rezoning, whether it was part of a change in the official community plan or whether it was only neighbourhood consultation, it would have to be done. That is exactly what I was talking about.

We were not talking about the French high school at the time, nor was that the intent of the conversation that I had last night with the City of Whitehorse. The member opposite should really pay more attention.

Ms. Hanson: The member opposite did take detailed notes at the meeting. The Yukon Party's relationship with the city is clearly broken. After the continuing care megaplex and the outdoor sports complex, the government has again told the city about its plans — in this case for the francophone school, which will require the relocation of the skateboard park — after the decisions were made.

Does the Yukon Party government not realize that OCP amendments require public consultation contrary to what the minister said last night or was the minister reflecting Yukon Party policy when he told city council that consultation is not always really necessary? Why are they trying to make these decisions around the Cabinet table instead of in partnership with the city and its residents? Where is the respect? Why does the Yukon Party government repeatedly refuse to discuss projects like this with the city ahead of time?

Hon. Mr. Graham: Once again the member opposite just proved my point. Was I not aware? I just said I was very aware that any consultation that was appropriate under the circumstances — be it OCP consultation or changes in zoning — would naturally follow the course.

What the member opposite also failed to realize is — and had she really listened she would have known — that I was there last night on behalf of the organizations that had asked me to come and introduce them and introduce the fact that this government is willing to pay the bill for a new skateboard park in the City of Whitehorse. We wanted to make that perfectly clear to the City of Whitehorse, as was known by city council. I was a last minute sign-up for the delegation simply because I had not intended to attend that meeting.

The process last night was out in the open. It's in front of everybody. It's televised. The members were there — two members from the opposition were there — and it's completely out in the open. I guess she would rather that I had sat down with city council behind closed doors and tried to work out a process. As I said last night, that's not what I do. I like to see things done in the public eye and I'll continue doing that.

Ms. Hanson: Two weeks — that's how long we heard last night that it has taken for this Yukon Party government to arrange a meeting with the city council about the location of the French language school and the subsequent requirement and need to relocate the skatepark. The minister can spin this anyway he wants.

The need to relocate the skatepark comes from the fact that he has made a decision to locate the French language school where the skatepark is. The city only heard back this morning after last night's council meeting. When important projects like these involve significant overlap between the territory and the city, we expect that the government will treat the city with the respect a partner deserves. Instead, the Yukon Party government sent the Education minister to tell the City of Whitehorse that decisions have been made and they need to play along.

When will the Yukon Party government stop treating the City of Whitehorse like a rubber stamp and treat them with the respect they deserve?

Hon. Mr. Graham: Mr. Speaker, the member opposite is so far out in left field that she's possibly out of the park altogether.

This government is fully committed to consultation with the City of Whitehorse. The Premier just signed an agreement on land development earlier this week with the Mayor of the City of Whitehorse. Last night had nothing to do with consultation or discussion with respect to a French language school. That was merely the initiator of the discussion. In fact, my colleague and I had met with the mayor and senior staff from the City of Whitehorse some time ago in anticipation that we may need to construct a new skateboard park. At that time, we discussed potential locations and had a wide-ranging discussion around this issue.

Mr. Speaker, last night the skateboarders and the associated groups themselves wanted to make a presentation to city council, and they knew that I not only supported this government, not only supported a new facility for them if they were forced to move, but that I would be more than happy to introduce them to the City of Whitehorse. The member opposite probably didn't catch the one statement I made with respect to city council listening to the young people who were there last night, as we have here and in our decision to go ahead with a new skateboard park.

Question re: Keno area mining runoff

Mr. Tredger: Mr. Speaker, the Onek 400 adit and its highly toxic effluent runoff have been a concern to First Nations, regulators, and the residents of Keno City for many years now.

The runoff from the Onek adit continues. The water is going to ground and running into Christal Creek. This water is highly toxic. In 2012, the Elsa Reclamation and Development Company, which is responsible for the remediation in the Keno district, stated that the runoff from Onek posed a risk to both groundwater and surface water and that a temporary treatment facility should be built while the closure planning process continues.

Mr. Speaker, does the Yukon Party government agree with ERDC's assessment that the effluent runoffs from the Onek 400 require a water treatment facility?

Hon. Mr. Kent: I thank the member opposite for raising this question. It is something that has come up in previous Question Periods as well as in debate on the Department of Energy, Mines and Resources.

During debate on Energy, Mines and Resources, I committed to having officials look into a very similar request that was made by the member opposite. I have not heard back from officials, and I know we talked about this, I believe, last spring when we were engaged in debate within Energy, Mines and Resources as well.

I know that my colleague, the Minister of Community Services, has talked about water quality. The property in question is a historic mine working. There are historic liabilities.

There's an arrangement between the ERDC and AANDC with respect to the types of activities that take place there. Of course there are concerns of the residents as well who live in Keno City. We're cognizant of that and I do want to assure the member opposite that the department is looking into this and I will be able to report back to him via letter or perhaps later on in this session with respect to the question that he's asking here today and has asked on occasions earlier this Sitting.

Mr. Tredger: Aboriginal Affairs and Northern Development Canada decided to wait until the closure plan was in place to install Onek's water treatment facility. Yet several groups, including the Na Cho Nyäk Dun First Nation and Yukon government's own Department of Environment, objected to Aboriginal Affairs and Northern Development Canada's decision.

We have been waiting for years for a closure plan. In 2012, the ERDC made it clear that the runoff from the Onek 400 requires a water treatment facility now, not years down the road when the mythical mine closure plan is finally put into place.

Is this Yukon Party government doing anything to ensure that the federal government follows Elsa Reclamation and Development Company's recommendations?

Hon. Mr. Kent: With respect to a closure plan for that facility, this is something that came up during debate earlier this session on Energy, Mines and Resources, talking to the member opposite. The company ERDC is working closely with the federal government to develop a final closure plan. It will of course be a subject of discussions again with the Yukon government and as we move toward a YESAA process with respect to that. That YESAA process will of course give residents of the community as well as other interested

Yukoners or Yukon NGOs an opportunity to comment with respect to that closure plan.

I know this is of particular concern to the member's constituents who live in the community of Keno City. Once again, I did make a commitment during debate earlier this session that I would get back to the member opposite with a more fulsome explanation of where we're at with this. I again just wanted to reference comments made by the Minister of Community Services earlier this session with respect to water delivery and water testing in that area and upping the frequency of that testing.

I can assure the member opposite that I'm taking this very seriously and I will get back to him with a very fulsome explanation of the current situation.

Mr. Tredger: I thank the minister for that.

The management of type 2 mine sites near Keno may be a shared federal responsibility, but that doesn't absolve the Yukon Party government from its responsibility when Yukoners' interests are at stake. The discharge from the Onek adit contains high levels of cadmium and zinc, both of which are harmful to human health. This contaminated water is going to ground. It is running into nearby creeks and it has on occasion pooled near homes in Keno City. Elsa Reclamation and Development Company has stated that Onek's water needs to be treated. The federal government wants to wait for a finalized closure plan. Meanwhile the runoff continues to load the aquifer with toxins.

Will the Yukon Party government sit idly by in the face of federal delay or will the minister stand up for Yukoners?

Hon. Mr. Dixon: What we will do is continue to ensure that all Yukoners have access to safe, clean drinking water, as is the case in Keno City. Keno is provided with a delivered water service at a cost to the Yukon government of a fairly significant number. We understand that providing access to clean, safe drinking water is important for all Yukoners, including those in Keno.

We have had some discussions previously about the testing that is associated with that drinking water. I can report that, at one point, the testing of that drinking water did go down to only an annual basis. That is something that we have since corrected, and it will be back to the quarterly basis that was committed to the community of Keno by the chief medical officer, I believe, or the Department of Health and Social Services' Environmental Health Services. At one point they were testing the water monthly, and then it went down to once a year. We have met the need to test quarterly, as the commitment was made by Environmental Health Services.

The important thing to remember here is that this is a historic mining district and, of course, there are some legacy challenges that are associated with it. Our focus — as it is in all communities in Yukon — is to ensure that all Yukoners have access to safe, clean drinking water. It is our belief and understanding that that is the case in Keno City.

Question re: Communication infrastructure

Mr. Silver: Over the last two years the government has spent hundreds of thousands of dollars studying the possibility

of a second fibre optic link to the outside world through Juneau. This is an issue because we only have one link and it continues to get dug up in Alberta and B.C. All of the options looked at so far involve a major cash investment from the Yukon government. One report called for the government to create a privately owned company to implement a Whitehorse-Juneau fibre optic link with connections to Seattle that would offer Internet services in Whitehorse. The company would require a one-time grant of at least \$12.8 million to cover half of the start-up costs and enable a business plan. The business plan also assumes a 10-year commitment from the Government of Yukon to purchase connection capacity from a new company.

We are a year further down the road in this project now. Is the government planning to invest millions of dollars to compete against Northwestel in the Internet business?

Hon. Mr. Hassard: It is important to realize that this is a very important piece of infrastructure to the Yukon and we are committed to ensuring that all Yukoners have good, reliable and reasonably priced fibre. We need to take our time. We need to look at all of the studies and look at all of our options, and we have not committed to any particular project at this time. We will continue to make sure that we have all of the information in front of us before we make a final decision and do what's right for Yukoners.

Mr. Silver: Last year, the Yukon Party spent approximately \$600,000 on the project, including \$120,000 on a report that called for it to get into the fibre optic and Internet business. The report recommended that the government — the taxpayers — pay a one-time grant for at least \$12.8 million to a new private company to establish a Whitehorse-Juneau fibre optic link. A new report puts the price of the line to Skagway or Juneau at \$26 million. It also confirms — and I quote: "The YG is planning to make an investment in broadband communication infrastructure."

The original business plan for this project assumed a 10-year commitment from the Government of Yukon to purchase connection capacity from the company that will operate this new cable. I guess that begs the question: Has the government decided that it will sign on for a 10-year contract to buy this service on this new line?

Hon. Mr. Hassard: This government is committed to moving forward with this, but we need to do this in a fiscally responsible fashion. We are committed to looking at all reports and all facets of moving forward with this project. We also want to ensure that we move forward in the best possible way. We will take our time, we will study all of the reports and we are committed to making sure that all Yukoners have high-speed, fast, affordable and reliable service for Internet.

Mr. Silver: Can the minister confirm that when he says, "We are committed to this" — does he mean that he is committed to the 10-year contract?

For the record, the Liberal caucus does support a second fibre optic link and we are also prepared to support public investment in seeing this link established — absolutely. What we are not prepared to support is the government picking winners and losers and funding money directly to one

company or another in this endeavour without any competition. So lots of questions are being begged at this point.

Unfortunately, this seems to be the model that the Yukon government seems to be following. The N.W.T. has recently announced the building of a fibre optic link to Inuvik. Connecting to this line would also provide us with redundancy or backup that we need, including the communities outside Whitehorse. The previous minister seemed not too keen on that option and it seems like that is the mode we are going forward in now.

Will any government investment be given directly to one company or will there be a level playing field in which everyone interested is allowed to bid?

Hon. Mr. Hassard: As I have stated before, this government is committed to fast, affordable and reliable Internet service for all Yukoners. We will continue to look at all options and determine the best way for Yukoners to move forward.

Question re: Hydraulic fracturing

Mr. Barr: The Yukon markets itself as a premier wilderness destination with pristine water, the chance to see wildlife in its natural habitat, huge mountains and unspoiled natural vistas. Does the Minister of Tourism and Culture see the contradiction in promoting the Yukon as a pristine wilderness destination while government decides to open the door to fracking?

Hon. Mr. Kent: When it comes to the issue of hydraulic fracturing and shale gas development in the territory, we made our position very clear early on in this Sitting so that we could have full, fair and open debate. The Department of Energy, Mines and Resources has been up twice; I have engaged in an awful lot of discussion with the NDP critic, the Member for Mayo-Tatchun, and also in his capacity as one of the members of the select committee that developed a number of recommendations that this government has accepted and is addressing.

Part of the work that we're doing right now includes an economic analysis. We are looking forward to engaging with the public on this as well. We feel that this is an opportunity for us to diversify our economy and build a strong and robust oil and gas industry to complement the conventional activity that has been taking place not only in the Eagle Plains area, but also conventional production in the Liard Basin — production that has seen a significant amount of royalties, as well as jobs and opportunities generated over the years. Again, the number that I have mentioned is just slightly over \$45 million, approximately \$10.5 million of which has been shared with First Nations so that both of our levels of government can make investments in social programs such as education and health care.

Mr. Barr: It was directed to the Minister of Tourism and Culture.

Tourism is a major driver of Yukon's economy, bringing in \$250 million in 2012, and the Yukon government has spent millions on promoting the territory.

A board member of TIA Yukon recently said — and I quote: "Tourism is a big business in Yukon. It's a slow-growing, steady economy for us that's needed in the territory when Yukon's mining industry goes through one of its bust cycles, as has been the case in the last three years." Hydraulic fracturing is a boom-bust, fly-in/fly-out industry that could put tourism jobs at risk if tourists decide to pass on the Yukon as a result.

Why does the Yukon government not recognize that pursuing fracking risks damaging Yukon's tourism brand and tourism jobs, as well as government investments promoting Yukon as a premier, pristine wilderness destination?

Hon. Mr. Kent: I believe I speak for every member on this side of the House that, unlike the New Democratic Party, we don't believe that tourism and natural resource development are mutually exclusive. In fact, we believe they complement each other in a number of ways.

Many of those individuals who are travelling to the Yukon, including mining executives and others who come here for forums such as the annual Geoscience Forum, use the tourism facilities here in the Whitehorse area. I know there are events such as the recent international gold show in Dawson City where the hotel rooms there were filled with individuals attending that show. There are a number of investor tours from the resource sector that take place throughout the summer here. I know there is a big one planned for the Yukon Mining Alliance that is going to be centred out of the community of Dawson City this year.

So again, we believe that these two industries have coexisted for a number of years. In fact, part of the main attraction in the Dawson City area relates to the heritage and historic activities of the placer mining sector. We owe a number of legacy infrastructure projects, such as our roads and many of our highways, to the mining industry and they are benefitting not only that industry, but the tourism industry.

The NDP can believe and do believe that these industries have to be mutually exclusive. We do not.

Mr. Barr: The minister is obviously not paying attention. We're speaking about hydraulic fracturing. When fracking was proposed for western Newfoundland near Gros Morne National Park, the public was outraged and the provincial government eventually placed a moratorium on fracking. Academic research noted — and I quote: "Such investment in fracking would undermine the extensive funds that the provincial government and local operators have invested in tourism in western Newfoundland ... There is a risk that fracking would undermine the tourism industry substantially that it would take a very long time to recover and restore its visitor base, image and brand."

Will the Minister of Economic Development, as he undertakes an economic analysis of fracking, be looking at the implications of fracking on our tourism industry?

Hon. Ms. Taylor: In response to the member opposite's question, of course our tourism sector is world-class in every way. Each and every one of us can be justifiably very proud of all of the very large investments that this government has made over the last decade-plus in support of

infrastructure — from highway upgrades to investments in attractions, from our museums to cultural centres. Investments in our tourism marketing — one only has to take a look at all of the significant investments, largest ever investments in tourism marketing in Yukon's history — and investments in product development, art, history, culture, expansion of our visitor services, labour market services initiatives — and the list goes on.

If the member opposite is so sincere about his support for tourism and culture in the territory, I would ask the member to start voting in favour of the budgets.

Question re: Standing Committee on Rules, Elections and Privileges

Mr. Tredger: Mr. Speaker, the Standing Committee on Rules, Elections and Privileges has not met since February 2013. The committee, known as SCREP, is responsible for the fair, open, efficient and modern operation of the Yukon Legislative Assembly and it has met just once despite repeated calls, letters, motions and questions from the Official Opposition. With SCREP only meeting once in the nearly four years since this government came to power, many important items have fallen off the table that could improve our legislative and democratic process.

I would like to ask the chair of SCREP to tell this House when the committee will next meet, as it has not met in over two years?

Hon. Mr. Cathers: As the member should be aware, the chair of the Standing Committee on Rules, Elections and Privileges — a private member — doesn't have the opportunity to respond to questions in Question Period.

I would again remind the member that in fact changes have been made to the Standing Orders early on in this term. We made changes to provide for the opportunity of independent members of the Legislative Assembly to call motions in debate. We reached an agreement also at House Leaders' meetings, which the member should recall — he was the NDP House Leader at the time. It was an agreement between him, the Leader of the Liberal Party and me on the —

Some Hon. Member: (Inaudible)

Point of order

Speaker: Order please. Opposition House Leader, on a point of order.

Ms. Stick: I didn't realize he was going to go on and answer the question.

In our Standing Orders of the Yukon Legislative Assembly, under the addendum Guidelines for Oral Question Period, number 13 — it does state that: "A question is out of order if it seeks information from the Chair of a Committee about proceedings..." but it goes on to say, "...if it asks only if the Committee has considered a certain matter, when the Committee will...meet, or when a Committee report will be tabled..."

So it is appropriate for the chair of this committee to respond to this question.

Thank you, Mr. Speaker.

Speaker's ruling

Speaker: You are correct. It is appropriate for the chair of that committee to report, but at the same time, the government is here to answer questions and whichever member stands first to be recognized will be the member that is heard.

Minister of Justice, please finish your comment.

Hon. Mr. Cathers: Thank you, Mr. Speaker. Pardon the member for her interjection, I'm sure. I again would remind the member who asked the question that in fact changes have been made through agreement at House Leaders' meetings as well, including allowing electronic devices in this Assembly, which had not previously been allowed. Those changes were reached through an agreement, not at SCREP, but through House Leaders' meetings, so there are several ways to reach adjustments to the Standing Orders and we have worked with members collaboratively to make some of those changes.

Mr. Tredger: One of the roles of SCREP is to recommend changes to the rules of this Assembly. One such rule is Standing Order 76, known as the "guillotine clause". At the end of this Sitting, just 22 of 31 sitting days will have been dedicated to debating new legislation and the 2015-16 budget. As of today, debate has started but not concluded for 10 of 18 departments. This means eight more departments have yet to be debated. If we do not reach these departments before the House rises next Thursday, the guillotine clause will allow this government to pass Yukon's budget without full or in some cases, any debate.

Yukoners expect their elected officials to use public time efficiently, not avoid accountability on the use of public money.

Has the chair of this committee considered Yukon NDP's call for SCREP to meet and review?

Hon. Mr. Cathers: I would point out that, of course, the member's position on that specific change would be very different if the member were on this side of the floor.

I will remind the member that we have worked collaboratively with members of the opposition. We have not agreed on all areas of changes to the Standing Orders, but the Standing Orders have been changed through agreement of this House and through agreement of members and at House Leaders' meetings as well. That has included changes that allowed for the use of electronic devices — BlackBerrys, iPads and so on — which have improved members' ability to continue to work efficiently and respond to constituents during our time in this Assembly.

The government brought forward a motion to allow independent members of the Assembly, for the first time in the history of the Assembly, to bring forward motions on Wednesdays on a rotational basis.

We have indeed made a number of changes to the Standing Orders and we will remain open to discussing them with the member, but the member may wish to, if he has specific changes that he would like to propose — I would encourage him to talk to the chair of the Standing Committee

on Rules, Elections and Privileges about those matters and perhaps all members of the committee can consider them.

Mr. Tredger: The Standing Committee on Rules, Elections and Privileges has not met since February 2013. The role of the committee is to meet and consider various options put forward. It is responsible for the fair, open, efficient and modern operation of the Yukon Legislative Assembly.

My question for the chair of the committee is quite simple: Will the chair of SCREP call a meeting during this session? If so, when? If not, why not?

Hon. Mr. Cathers: Again, the member seems to have been perhaps forgetting changes that he participated in agreeing to. That includes the changes that allow electronic devices. That includes the changes brought forward by this government that allowed independent members, at such time that there are any in this Assembly, to bring forward motions or debate on the part of their constituents.

When we talk about efficient use of debate, I would remind the member that, this being Wednesday, it was actually the day for the government private members to bring forward motions for debate. We gave up that day to allow more debate on the budget. I would challenge the opposition to put their money where their mouth is and give up their Wednesday next week and allow further debate on the budget and legislation. If they won't, I think we know that the members are all talk and no action.

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

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 87: *Personal Property Security Registry (Electronic) Amendments Act* — Second Reading — adjourned debate

Clerk: Second reading, Bill No. 87, standing in the name of the Hon. Mr. Dixon; adjourned debate, the Hon. Mr. Dixon.

Hon. Mr. Dixon: When we adjourned debate on this bill previously at second reading, I was beginning to speak about it, and this is the *Personal Property Security Registry (Electronic) Amendments Act*.

This is the next step in a series of changes to business-related legislation that we have made over the past number of years. That includes changes made to a number of business legislation that was done by the previous minister last year. Last year, as well, we reduced the small business tax rate for Yukon businesses substantially — by 25 percent — from four percent to three percent. All of this is aimed at making sure that Yukon is a good place to do business, a good place to conduct commerce and a good place to raise money and conduct the affairs of the private sector.

This bill is, as I have said before, the next step in that process and will, in my opinion, be a positive step forward with regard to facilitating and improving commerce here in

the Yukon Territory. The purpose of this bill is to implement a modern, computerized personal property registry to replace our current computer system, which is outdated and placing stakeholders at risk.

If you will allow me, Mr. Speaker, I will take a moment to provide some background. Yukon's *Personal Property Security Act* and regulations — known as the PPSA — are critical to consumer and commercial borrowing and lending. This legislation enables borrowers to use personal property, which is property other than land, to secure loans. While the average person may be unaware that the PPSA even exists, anyone who has ever borrowed money for anything other than a house has benefited from this legislation. It is what enables lenders to register their interests in your personal property for money you want to borrow — for example, if you are trying to purchase a new car. When companies are looking at credit worthiness, the PPSA registry is one of the tools they use in their review. With this amendment, Yukon will join six other jurisdictions, including Nunavut, the Northwest Territories and other provinces in Atlantic Canada, in utilizing the Atlantic Canada On-Line computerized registry, which is becoming the industry standard in Canada for digital PPSA registries.

This modernization of Yukon's registry system will be a real boon for businesses that use it in Yukon. This is because Yukon is the only jurisdiction in Canada relying completely on a paper-based system instead of an electronic or direct user-entry registry system. As it works now, lenders must complete registry documents by hand, which are then submitted to the Yukon government where the information is data entered by Corporate Affairs staff. This process invites the risk of error and increased risks of liability to the government. This labour-intensive, manual-entry system also considerably slows down responses to any inquiries we might receive. Not infrequently, our registry will receive bundles of more than 1,000 registrations at a time from a lender. With the new on-line system, the process will be paperless and eliminate the need for lenders to submit originally signed documents. Instead, once the ACOL system is in place, lenders who have made the necessary contractual agreements with the Yukon government will be able to directly enter data into the new on-line, web-based registry.

These changes were previously planned to be included in a larger revision of the *Personal Property Security Act* and regulations targeted for the fall of this year. However, recent issues have given us reason to address this antiquated computer system as soon as possible. Malfunction of our system, when it occurs, means lenders do not have timely access to the information that they require for making lending decisions and this can have significant negative effects —

Some Hon. Member: (Inaudible)

Point of order

Speaker: Opposition House Leader, on a point of order.

Ms. Stick: Point of order — 19(d), where the member is reading from Hansard. This is the exact speech that he gave

when we started this debate in second reading on April 16. He is reading word for word what he said the first time.

Speaker: Minister of Community Services, on the point of order.

Hon. Mr. Dixon: Mr. Speaker, on the point of order, this is second reading. I believe a minister can provide comments as he sees fit in speaking to second reading on a bill.

Some Hon. Member: (Inaudible)

Speaker: Leader of the Official Opposition, did you want to add some comments to this before I speak or have you already decided you don't like my ruling? Your body language is offensive and indicates that you are not happy with my ruling and I haven't even had a chance to state it yet.

Speaker's ruling

Speaker: The Chair is unable to determine what the member is going to say before they have said it, but the unnecessary repetition from Hansard is, in our Standing Orders, something that can be called to order. I am hoping that the minister will paraphrase or move on. That is, if he is reading from Hansard, it is already in Hansard, sir.

You have the floor.

Hon. Mr. Dixon: I will continue speaking to this bill at second reading, as it is the stage we're at.

As I indicated previously, this bill in my opinion will do an excellent job of cutting red tape for Yukon businesses and facilitating commerce in the territory. It will do so for the reasons I have outlined already, but I will continue to outline some of the reasons why it is important that this bill pass this House, which are, as I indicated previously, to support Yukon businesses and those who wish to borrow money to make purchases in the territory and facilitate commerce here in the territory.

As I noted, we are currently working on the necessary updates to the regulations, which will be brought forward as soon as possible once this legislation passes — hopefully within the next week or so.

I should note that more than 60 percent of PPSA registrations are currently submitted by lenders outside of the Yukon, such as national banks and vehicle financial lending institutions. These lenders are familiar with electronic registry systems. In fact, many are already users of the ACOL system and they are looking forward to seeing it implemented here in Yukon.

As this is a new web-based registry, it will reduce red tape and provide businesses and financial institutions with a one-stop shop where both registry filings and searches can be done on-line. When we roll out the new on-line registry, we will be communicating with local and Outside stakeholders to inform them and introduce them to the new system. This bill supports the government's desire to utilize technology to make more government services available on-line and to improve existing services.

As I said before, this will be the next step in modernizing a variety of Yukon's business-related legislation to not only

cut red tape for Yukon businesses but also ensure that we adequately and appropriately finance commerce here in the territory.

I should note that while this move to a technology-driven system, a web-based registry, will be important for this system, it is also a platform commitment that we made to increase the amount of services that are available on-line through the Internet or through computers. It builds on some of the work that has been done by government previously in this respect.

I would note that just earlier this week, the Minister of Environment announced that Yukoners will now be able to access camping permits and fishing and angling licences on-line — yet another good step forward in providing on-line services for Yukoners.

This particular bill will enable us to extend that on-line service to the *Personal Property Security Act* and will bring us into step with what is happening in a number of other sections of the country. As I noted previously, the six other jurisdictions that are currently on this system are implementing this system successfully. The ACOL system has become the industry standard in Canada for these types of registrations.

To conclude, I would simply indicate that this is a positive step forward, not only for the Yukon government by reducing the amount of paperwork — labour-intensive paperwork, at that — but it's also a positive step forward for any institution in the territory and any business in the territory that wants to provide lending opportunities for customers to make purchases. In particular, I know that many of the vehicle dealerships in town will benefit from this greatly — but there are a number of other businesses as well.

Finally, it will provide a very important service to Yukoners who wish to borrow to make those purchases, not only to make the system easier for them and less paper-intensive, but it will also allow them to rest assured that their information is being handled appropriately and that the risk associated with this type of borrowing is being appropriately considered and regulated by the territorial government.

With that, I would like to thank the various department officials from Community Services and the Department of Justice who have conducted much of the policy and drafting work on this bill. As I've said before, drafting legislation is no small task and it takes a considerable amount of work at the departmental level to do this work, so I would like to thank those officials for their work on this bill.

This legislation will help ensure the success of Community Services' vision of vibrant, healthy and sustainable Yukon communities and will help ensure that Yukon is a great place to do business.

With that, I would commend this bill to the House today at second reading.

Motion for second reading of Bill No. 87 agreed to

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

Speaker: It is moved by the Deputy Government House Leader that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole. Are you agreed?

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair (Ms. McLeod): Order. Committee of the Whole will now come to order. The matter before the Committee is general debate on Bill No. 87, entitled *Personal Property Security Registry (Electronic) Amendments Act*.

Do members wish to take a brief recess?

All 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. 87: *Personal Property Security Registry (Electronic) Amendments Act*

Chair: The matter before the Committee is general debate on Bill No. 87, entitled *Personal Property Security Registry (Electronic) Amendments Act*.

Hon. Mr. Dixon: It's a pleasure to rise at Committee to speak to this bill, the *Personal Property Security Act*, and the associated amendments to allow for the transitioning to an electronic system.

I wanted to start by welcoming officials to the Legislature. We have Shehnaz Ali — from the Department of Community Services, the director of policy — and Fred Pretorius, the director of Corporate Affairs from the Department of Community Services as well.

Madam Chair, the amendments in Bill No. 87 pertain to the *Personal Property Security Act*. The PPSA creates a registry system of personal property — for property other than land chattels — that can be identified as security for loans. If borrowers do not comply with loan terms, the lender can seize the identified property. If a lender is considering lending to a potential borrower, the lender can search the registry to see what, if any, registrations are currently registered against that borrower.

The PPSA registry can be compared to the registry at the Land Titles Office, which contains documentation for lending that has real property land as security for credit or lending. The actual mortgages documenting borrowers' agreements to use their land as security are physically located in the registry at the Land Titles Office. This is not the case with the PPSA. It is only a notice registry where the lender registers notice to the world that it has an agreement with the borrower where the borrower has agreed to put up certain assets — one or more items of personal property — as security. The actual documents, which may include, for example, a loan agreement and a security agreement, will be in the lender's possession.

In the case of a dispute as to the contents or the existence of these documents, it will be the lender's obligation to produce them on demand. The existing registry under the PPSA is paper-based and the antiquated computer system supporting it is unfortunately failing. Under this system, paper documents and the required fees are submitted to Yukon government. Yukon government staff members then key in the registration information to the existing computerized system. Under the new paperless system enabled by this amending bill, any party wishing to enter data into the registry will be able to. After they have entered into an agreement and made payment arrangements with the registrar, they simply go on-line and do their own registrations. This will eliminate the entry of data and the associated liability, I should note, by Yukon government staff and will be much more user-friendly to stakeholders.

The new system will be web-based and operated by the same third party that operates the system for the other six provinces and territories that are on the system.

In addition to the passage of this bill, major changes to the regulations to the PPSA will be required to transition to the paperless system. For that reason, while it is hoped that this bill will be assented to in this Sitting, it will not be proclaimed immediately until the regulations are finalized and approved by Cabinet, as is the standard practice with a number of other pieces of legislation that we have dealt with this Sitting and over the years.

I think that covers off my introductory comments to this. I know that there are some specific questions about the bill, and I look forward to answering those as they arise from members opposite. One of the things I wanted to note before we go into questions was the role of government in terms of operating the database.

I should note that the Yukon government itself will not be operating the new database. The new database, known as the Atlantic Canada On-Line system — ACOL for short — will be operated under contract with the government by Unisys. The system is currently up and running in six other provinces and territories. All of these jurisdictions use Unisys as the third party service provider. Unisys will operate the database for the Yukon government on a contract basis.

As I noted previously, we will obviously follow up with Unisys once we pass this legislation and the necessary regulations to bring the system into effect. With regard to parties that exist or are currently registered in the PPSA registry today, there won't be significant impacts. The transition provisions of the amending statute and regulations will ensure that existing registrations are appropriately grandfathered, and all parties' interests will maintain the priority and protection that they had prior to the amendments.

In my second reading speech, I noted that there is some desire to conduct a larger, more comprehensive overview of this piece of legislation. That is still something we are considering in the coming years, but at this point we wanted to make these specific, strategic changes to this act to allow for the transition to the electronic system. We do still plan a larger overall modernization of the PPSA in the future; however, the

urgency of the failing registry system meant we had to put that project aside of these targeted amendments to enable electronic registrations.

The changes we are making through the bill that is before us currently will get us through for the next little while as we implement the new electronic system. It is likely that, in the coming years, the Yukon government will need to do a more comprehensive review of this bill to determine whether or not additional changes or modernizations can and should be made.

With regard to the information that is collected and contained on this new system, the information contained in the new registry will be exactly the same as is contained in the current registry. In order to function as a searchable database upon which lenders base lending decisions and which can and should be searched by, for example, individuals considering buying used vehicles, the registry must contain sufficient personal information so that a specific individual or corporation must be clearly identifiable. This may include the person's complete name, address, gender and date of birth. The registry must also contain information to sufficiently identify a personal property that is security for lending or credit and a VIN or serial number for a car, for example.

In order for the registry to function, the only obstacle to it accessing the information contained is payment of the appropriate fee. The information is not otherwise protected. Any person who has made borrowing arrangements that will lead to documentation in the registry must consent in writing to the information being made available. A privacy impact assessment, which was conducted and focused on the ACOL system, has been submitted to the Yukon Privacy Commissioner.

As I noted before, there are a number of other provinces and territories that use this system. I think it is worth noting that they are: Newfoundland and Labrador, New Brunswick, Nova Scotia, Prince Edward Island, Nunavut and the Northwest Territories. As a small jurisdiction and because we needed an immediate solution to the technical failure of our existing system, it was not reasonable to consider developing our own purely electronic registry, so a "turnkey" option — to use that term — was needed. The ACOL system is the only web-based system that is proven and up and running and functioning well in six other Canadian jurisdictions. Truly paperless and operated under contract by Unisys, it will relieve Yukon government staff of the headaches of data entry and of technical operation and maintenance of the system. By allowing approved stakeholders to enter data directly, it will lessen the potential for error and will lesson YG liability exposure.

As I indicated in my opening remarks and in second reading, I think this is a good step forward, not only for the Yukon government officials who need to implement this relatively complex system, but it will be a much more user-friendly system for the borrowers and lenders who need to access the system as a result of conducting their business. As I indicated at second reading as well, I believe that this is an excellent step forward in improving and modernizing the Yukon's business legislation and will indeed facilitate

improved and streamlined commerce here in the territory by reducing red tape and making it easier to borrow and lend for the purchase of personal property other than land.

With that, I look forward to fielding some questions and moving through this bill today in Committee of the Whole and would welcome questions from members opposite now.

Ms. Stick: I thank the officials for being here today to answer some of our questions. I want to start by saying that, as the Official Opposition, we are prepared to support this bill, but will be, when we get into line-by-line debate, proposing an amendment. We feel that it's an important amendment that has been brought to the attention of this department by the Yukon Information and Privacy Commissioner.

The *Personal Property Security Registry (Electronic) Amendments Act* is important, and we are pleased to see this come forward because I think it will streamline and resolve problems currently faced by the department, which is still trying to use a paper system. It is great to see that we are catching up with the electronics and being able to do this. We do understand that ACOL, the service, is used by other jurisdictions.

I tried finding a little bit more information, but was not able to find out about their privacy concerns with regard to this. I want to refer to the Information and Privacy Commissioner's letter, starting off by saying that one of the important things under the *Access to Information and Protection of Privacy Act*, when we talk about the purpose of the act — the important things to me when I look at it under the act's section 1 is preventing the unauthorized collection, use or disclosure of personal information by public bodies and providing for an independent review of decisions made under this act. The Information and Privacy Commissioner was very clear in her letter.

First, I think she expressed some surprise that at no time was she advised of these amendments to the act or asked to look at them, and seeing as there is a clause right in the act that basically states that, under section 70, a new piece be added, number 4 — the *Access to Information and Protection of Privacy Act* does not apply to any data that is collected, used or disclosed under this act. It actually refers to the ATIPP and yet no one took the time to speak to the Information and Privacy Commissioner about that.

I think that is a serious omission, because that's her job. When we look at the general powers of the commissioner, one of them was to comment on the implications for access to information or for protection of privacy of existing or proposed legislative schemes or programs of public bodies.

These are amendments to the act that explicitly speak to the ATIPP act. Specifically part of the Information and Privacy Commissioner's job is to look at that, and she has a number of tools under her purview of what she can do, one of them being the PIA, or the privacy impact assessment, which is a tool that can be used by departments and has been used by departments when bringing forth amendments. It enables the public body, prior to collection, to answer a series of questions and then proceed to give them to the Information and Privacy Commissioner.

It's not a requirement that this always happens, but it is beneficial. It's there. It's there for the Information and Privacy Commissioner to use her skills, her knowledge and her wisdom about this stuff in applying it to legislation.

I guess my first question will be: Why was the Information and Privacy Commissioner not consulted on these particular act amendments, and specifically when there is a clause in there that's being added that impacts the legislation that she comes under?

I did bring these things up when we were in second reading back on April 16, and still no one has contacted the Information and Privacy Commissioner to even ask or to go over her opinions that she made very clear in her letter of April 14, 2015. Why wasn't the commissioner first consulted, and why has she not been subsequent to this act coming forward and her concerns being made known?

Hon. Mr. Dixon: Madam Chair, I will respond to some of the questions in general about information and how ATIPP applies and discuss a little bit about some of the consultation in response to the member's questions.

Due to the need to replace the failing existing personal property security registry as soon as possible to reduce the risk to all stakeholders, we found ourselves in the unusual position of having to ready these amendments urgently. Therefore, no consultation has occurred; however, the amendments only address the changes to the PPSA to move out of an outdated paper-based system and enable the modern electronic registration system. These changes are purely technical in nature and do not affect the application of the PPSA to any stakeholders.

I wanted to note that several statutes regulate the use of information, including personal information collected for the purposes of the personal property security registry or PPSR. They are Canada's *Personal Information Protection and Electronic Documents Act* or PIPEDA; Yukon's *Access to Information and Protection of Privacy Act*, ATIPP; and Yukon's *Personal Property Security Act* or PPSA.

The PPSR is set up as a public registry used by lenders such as banks and other businesses extending credit to register their claim on personal property, which is property other than land, that a borrower has agreed to be security for lending and to assess a borrower's further credit worthiness when the borrower has previously agreed to use personal property as collateral for prior lending. Generally, the lender has first registered their interest in a borrower's personal property at the PPSR and has first claim against the property if the borrower defaults. When borrowers sign the documents necessary to get loans, they specifically agree in writing that their personal information will be entered into the PPSR registry. The collection of this information is regulated by Canada's privacy legislation, PIPEDA.

PIPEDA sets out the ground rules for how private sector organizations collect, use or release personal information. This includes information that will be stored in the PPSR. The company that will operate Yukon's new web-based electronic registry and which already operates registries for six other jurisdictions is subject to PIPEDA. The personal property

security registry is a public registry. The PPSA authorizes the collection and disclosure of information, including personal information, required for the purposes of the operation of the registry. This means that information or data contained in it regarding the identity of the borrower, the specifics of personal property that is collateral and the identity of the lender is publicly available to anyone who wishes to pay a fee and access it.

As you might expect, both PIPEDA and ATIPP are long, detailed and technical. Canada's legislation governs transactions that are under federal jurisdictions; Yukon's legislation governs matters under territorial jurisdiction. However, the gist of both of these statutes is the same. When data is collected, the person must clearly and in writing agree to the collection and use of the data.

In the context of the PPSA registry, the use and availability of the data must be no more than is necessary for the purposes of operating the registry. There is a limited exclusion of ATIPP in this bill to data that is collected, used or disclosed under this act. This limits the exclusion of ATIPP's application to registry data that must be available to the public in order that the registry can function as intended.

However, ATIPP does apply to information other than the data intended to be publicly available. Information protected by ATIPP would include agreement and payment arrangements regarding lenders who input information into the registry and agreement and payment arrangements regarding parties who search the registry. These parameters are important. On the one hand, as a government, we have a responsibility to protect information that we receive regarding Yukoners and all of our registries of all types. On the other hand, our personal property security registry, by its very nature, must to some degree be public in order that the wheels of commerce at a personal and commercial level may continue to turn. The personal property security registry must function as a searchable database.

The registry is essential in two ways for lenders: firstly, when they document lending to a first-time borrower; and secondly, when they are considering further lending to a borrower already registered in the PPSR with existing debt.

It is critical that three types of data are available to be searched in the PPSR database. Those are: first of all, sufficient personal information regarding borrowers that they are clearly identifiable; second, sufficient information regarding the personal property being used as collateral for lending that the property is clearly identifiable; and third, sufficient information regarding the borrower's lender that the lender is clearly identifiable. Without disclosure of the borrower's personal information already consented to by the borrower and subject to the PIPEDA, the purpose of this registry would be defeated.

While the PPSR is a public registry, access to it will be controlled by specific provisions in the PPSA, its regulations and contractual provisions pertaining to access. The registry is available for use only for lenders to register notice that lending arrangements have been made and to review an order to make lending decisions.

Madam Chair, as you know, Yukon's Information and Privacy Commissioner has expressed concern about the fact that we have exempted Yukon's *Access to Information and Protection of Privacy Act*, the public data that will be contained in the new registry. As noted above, the registry regards data that must be public in order for our system of commerce to function, and the data must be exempt from ATIPP.

I note that in March 2015, the Department of Community Services submitted to the Privacy Commissioner a detailed privacy impact assessment, which set out detailed information regarding the operations of a new web-based registry. In the cover letter to the Information and Privacy Commissioner, we specifically pointed out that the amendments to this bill will include language that states that the ATIPP does not apply to any data that is collected, used or disclosed under this act and we provided her with the reasons for the exclusion.

As explained above, the data around which the registry is based regards information that must, upon payment of the appropriate fee, be searchable. That includes information about a borrower, the property that is collateral for the loan, and information about the lender. Ancillary data, which will not be searchable for the public, includes details of arrangements between YG, the Atlantic Canada On-line System and Unisys, and contract arrangements including credit card and bank payment information made with parties authorized to enter data into the system and account holders' data captured for purposes of searching the registry and paying for such searches.

We have before us today a bill containing amendments to this act. Prior to proclaiming the bill, we must make major changes to the PPSA regulations, including defining what "data" means for the purposes of the ATIPP exclusion.

We will be looking toward addressing the commissioner's concerns and considering these issues during the drafting of the new regulations. In particular, the definition of "data" and what is intended to be gathered will need to be very clearly defined in those regulations. I am confident that when we make those regulatory changes and address those definitions in the regulations, we will be able to assuage the concerns raised by the Information and Privacy Commissioner and address the concerns that she has raised.

To reiterate, it is necessary to include the exclusion from ATIPP as outlined in this bill for the reasons that the information will be public and must be searchable in order for it to function properly. As the member opposite noted, the other six jurisdictions that have this system in place have not had issues with this type of issue. We are under the understanding that their systems are operating quite smoothly, which is one of the reasons why we chose this system to join onto — because of the success of other relatively small jurisdictions with this system. I hope that addresses the member opposite's question.

Ms. Stick: It doesn't, frankly. I found that the Yukon Information and Privacy Commissioner was very clear about her concerns with regard to this. It's great that a PIA was done, but I am surprised that still the legislation did not go to

the Information and Privacy Commissioner to review. That is part of her role and her job.

She is very clear in her letter what her concerns are. I am not questioning ACOL's ability to manage or handle information, but she was very clear in her letter that by outsourcing this registry, it increases the risk of improper use and disclosure and also increases the risk of being hacked or subjected to other malicious attacks. That could also happen in government but, with a third party, what she is saying is that by adding that clause to these amendments, you are removing anyone's ability to complain if they felt that their information was violated. I know that the whole purpose is so that there is public information. People are signing off on it. She says that it removes the assurances that the personal information collected will be accurate, which is important, and that the ability of an individual to make a complaint to the Information and Privacy Commissioner if a person feels that their information has not been handled appropriately — the job of the Information and Privacy Commissioner is to protect all Yukoners and their information and to ensure that there isn't a risk to people's privacy.

She has been very clear in saying that she recommends that the exclusion of the application of the ATIPP should be removed. It is just the one clause. I don't think waiting for regulations is going to change that. It's one clause that needs to be removed. She was very clear. Even after her letter, people have not gone back and spoken to her and given her assurances of how this would be met, and I think she was surprised by that.

There is a question: Why wouldn't people have gone back to the Information and Privacy Commissioner after she made her concerns known and really consulted on this and taken her information that she was given and spoken to her about that?

Hon. Mr. Dixon: I'll try to address the first part of the statement or question by the member opposite with regard to the information that's gathered and some threat of this being hacked or improperly accessed.

First of all, I should note that prior to any data going into this system, the person who is providing the data has to consent to their data being included in a public registry. That consent is an important step in providing that data to the system. The system then is a public registry where anybody who pays the fee — I believe it's a relatively nominal fee to search the database — has access to that data. I'm not clear why somebody would hack into the system, as the member has suggested, and look up this otherwise publicly available information.

It's also important to note that without disclosure of the borrower's personal information, which is, as I noted, already consented to by the borrower and subjected to PIPEDA, the purpose of this registry would be defeated. By virtue of the system, it needs to be a public registry. It needs to be publicly accessible. That's the whole point of it. The data that's being collected is being collected with the full understanding of the person who is giving it and with their consent.

I also should note that this is a limited exclusion of ATIPP, and the intent of it is to exclude only the data in the

registry and not a number of other things. I know there is some interest, I think, from the commissioner about better defining what that data is and that's something we'll do in regulation. That's something that we will do once this act is assented to and we begin the work on those regulations. We will define what data is, to be crystal clear that we're only applying this to information that is going to be in the data registry.

With regard to the role of the Information and Privacy Commissioner, I am confident that officials will follow up and respond to her letter in due course and, of course, have further discussions about the drafting and amending of the regulations that will bring the substance of this system into effect.

With regard to the proposed amendment by the NDP, I don't see it as being necessary. When we get to the opportunity in line-by-line, I know that they'll put it forward. To provide some foreshadowing, I guess, simply, that it's unlikely the government will be supporting that amendment despite the fact that the members are convinced that this is the proper way to go.

To round this out, this data is publicly available, it needs to be publicly available, and people who are making the data available need to consent to it being made available publicly.

As such, ATIPP doesn't need to apply and this limited exclusion is an important feature of that system and necessary for it to function as intended.

Ms. Stick: So previously we have had this bill that did not have this clause in it that removed ATIPP from it. You mentioned grandfathering, so does that mean those individuals who previously — ATIPP will still apply to them and not to the new ones?

My other point I would make is that the Information and Privacy Commissioner is clear that the information that is being collected, used and disclosed is not changing. What is changing is the method by which that's happening. Even though it's a new system, it doesn't mean there should be less protection. So yes, those documents have always been publicly available — that information for lenders to look at — and that has not changed, but we are taking away a piece of the protection.

I'm quoting here from the Information and Privacy Commissioner: "The fact that the personal information is accessible to the public through the registry does not mean it should be afforded less protection."

Previously in the act, ATIPP applied to this information — to the gathering; to the storing; and to the public availability of it — and that hasn't changed. But what we have just done is take ATIPP away and said that it doesn't apply now to this. I have not heard a good reason why. I understand this is publicly available information. I understand that people sign off on that. That piece doesn't change. Where it's going — it's done electronically now and it's going somewhere else, but that shouldn't mean that there is less protection. That protection should remain the same and that's the part I'm having a hard time wrapping my head around. I think the Information and Privacy Commissioner was very clear that putting this amendment in to make it so that ATIPP does not

apply to any data that's collected, used or disclosed is the wrong thing to be doing.

Hon. Mr. Dixon: I appreciate the point of view and respectfully disagree. I'm not sure that I heard a specific question there, so I would simply indicate that this is not excluding the entire act from ATIPP. This is a limited exclusion, the intent of which is to exclude only the data on the public registry. I don't feel that it's necessary to apply ATIPP to that data and this legislation simply makes that clear.

I appreciate that the member disagrees and this appears to be an issue that we disagree upon, but that's all right, I suppose. I have explained why the application isn't necessary, what protections are in place and the scope by which the application of ATIPP is applied — also that future concerns around the definition of "data" and the need for further clarification will be dealt with in regulations. Other than that, I'm not sure how to respond to the member's statement, other than it appears that we agree to disagree.

Ms. Stick: It's clear that this amendment that was to be added says that, "The *Access to Information and Protection of Privacy Act* does not apply to any data that is collected, used or disclosed under this Act."

So it's any data under this act. It's not limited to this piece or that piece. It's very clear that it's the whole act and that it's any data. I just heard the minister say that we will address it in regulations and we'll define what data is, but it's very clear: it's all data collected, used or disclosed under this act. So I think to say that it would limited is not under regulations because you have just said it's everything — all information collected, used or disclosed under this act. There are not parts that will be left out and I would like clarification on the minister's previous statement when you read that section of the new amendments.

Hon. Mr. Dixon: Madam Chair, this bill — the PPSA — sets out a process by which data with regard to the borrowing and lending for the purposes of commerce with regard to these types of purchases — sorry, the process for the collection and disclosure of information through that process. ATIPP has a separate process and what we're saying is that ATIPP won't apply to the data that's being collected and put on this public registry. The public registry is a public registry. It needs to be public; it needs to be searchable and therefore, it's not necessary to apply ATIPP to it.

It's a different process than the way information is accessed under ATIPP. For instance, under the PPSA, you pay a fee to access information whereas in ATIPP you simply — I think you pay a per-page amount or something like that. But the simple fact is this is a limited exclusion of ATIPP with the intent to exclude only data in the registry that will be collected and put on the public registry for the purpose of being searchable by third parties who are interested in gaining that information. Prior to that information being put on a public registry, the person who it belongs to needs to consent to it being put on the public registry and therefore ATIPP doesn't need to apply.

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

We're going to proceed then to clause-by-clause reading, starting on page 1.

On Clause 1

Clause 1 agreed to

On Clause 2

Ms. Stick: Madam Chair, pursuant to Standing Order 14.3, I request the unanimous consent of Committee of the Whole to deem clauses 2 to 20 in Bill No. 87, entitled *Personal Property Security Registry (Electronic) Amendments Act*, read and agreed to.

Unanimous consent re deeming clauses 2 to 20 of Bill No. 87 read and agreed to

Chair: Pursuant to Standing Order 14.3, Ms. Stick has requested the unanimous consent of Committee of the Whole to deem clauses 2 through 20 in Bill No. 87, entitled *Personal Property Security Registry (Electronic) Amendments Act*, read and agreed to. Is there unanimous consent?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

Clauses 2 to 20 deemed read and agreed to

On Clause 21

Amendment proposed

Ms. Stick: I move:

THAT Bill No. 87, entitled *Personal Property Security Registry (Electronic) Amendments Act*, be amended in clause 21 at pages 14 and 15 by deleting clause 21 and re-numbering the remaining clauses accordingly.

Chair: It has been moved by Ms. Stick:

THAT Bill No. 87, entitled *Personal Property Security Registry (Electronic) Amendments Act*, be amended in clause 21 at pages 14 and 15 by deleting clause 21 and re-numbering the remaining clauses accordingly.

Ms. Stick: I believe I have made my point in echoing the concerns of the Information and Privacy Commissioner. It is her job, as the Information and Privacy Commissioner, to protect Yukoners. It is her job to review legislation and regulations and what happens in this government to ensure that our information and privacy is protected, safe and handled correctly.

I don't want to go in and make the points again that the Information and Privacy Commissioner has made, but I do think it's important. This is her job, this is her expertise, and I don't question that. I think that she has made some very good points in her letter, and I believe that removing this is not going to do anything to change the rest of the act and the amendments.

This one clause is just not necessary. I think that if we were to remove it, it will not change the intention of the amendments to this act. It will not change what is already being proposed, and we support those changes. We believe that it's important that we get into a better system than a handwritten one. It will not change those intents, but by removing this, it does take away a degree of our security and

our information and privacy. I know the minister doesn't agree with that. I've listened to what the minister had to say; I've done my own research; I've spoken to the Yukon Information and Privacy Commissioner about this. I think it's important. There's a process that she has made available to all departments when looking at legislation, and yet she didn't get a chance to look at this. She did not see what was coming forth and was caught by surprise, I think, when it was tabled without any of her input, except possibly through a PIA.

Under the ATIPP act, the Information and Privacy Commissioner is not authorized to initiate an investigation without a complaint, but she is when she becomes aware that something is happening that will impact the information and privacy concerns of Yukon. She can make comments to a public body and that's what she has done. She has brought forward those.

I just think it interesting that when she offers the public body an opportunity to consult with her, if the public body declines the offer or where it does not consult with her in a meaningful way, that enables her to properly evaluate the implications to privacy and to be considered by the Information and Privacy Commissioner to be an opportunity to consult refused and I don't think we want that. I think she is there. She's available. It's her job.

She brought her concerns forward. They have not been addressed. She has not had further conversation or consultation on this. I think that by removing this one clause, we are not changing the amendments to this act. It's still the act. It still brings forward the changes that are required. We were going from a paper to an electronic, but by removing that one and by saying that ATIPP no longer applies to all data collected, used or disclosed — all data within this act — there is risk. I think she's very clear so I don't see how this is going to harm the act as it stands now with these amendments that are being proposed. We support those. We're for those, but we think it's imperative that we leave ATIPP as having some responsibility over this act.

Mr. Silver: Thank you to the minister today for clearing up some of the discrepancies from his reading of the bill and then meeting with the department officials. I did hear that there were some concerns about an issue that did occur last year, and the system was shut down for some time. My staff has informed me that this is part of the reason why we are moving forward on Bill No. 87, but there were unanswered questions for me as well, based upon the Privacy Commissioner. I will keep this very brief.

The discussion today was very informative and it sounds to me like one of those disputes among members in a way, but at the same time, as the minister pointed out, the point of this bill is to modernize the personal property security registry. If this is one of those conditions where we are seeing a redundancy, where this information doesn't necessarily need to be under the ATIPP act, I would suggest that because taking this particular clause — No. 21 — out of the bill, it won't have any effect on the actual point of the bill, which is to modernize the system. Maybe the minister can confirm or deny that when he speaks to the amendment.

If that is not a concern, take it out and have the conversation with the Privacy Commissioner. Again, there are concerns — these are the concerns that were raised by the commissioner in a letter to all of the MLAs. If it doesn't affect the actual intent of the bill to begin with — if it is just one of those things where it is a redundancy situation — then I would urge the government to accept the amendment and have those conversations with the Privacy Commissioner at another time to be able to deal with this particular clause.

Chair: Is there any further debate on the amendment to clause 21?

Amendment to Clause 21 negatived

Chair: Is there any further debate 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 Title

Title agreed to

Hon. Mr. Dixon: Madam Chair, I move that Bill No. 87, entitled *Personal Property Security Registry (Electronic) Amendments Act*, be reported without amendment.

Chair: It has been moved by Mr. Dixon that Bill No. 87, entitled *Personal Property Security Registry (Electronic) Amendments Act*, be reported without amendment.

Motion agreed to

Chair: We are now going to move on to Bill No. 85, entitled *Condominium Act, 2015*.

Would members like to take a brief recess?

Committee of the Whole will recess for 15 minutes.

Recess

Bill No. 85: *Condominium Act, 2015*

Chair: Committee of the Whole will now come to order. The matter before the Committee is continuing general debate on Bill No. 85, entitled *Condominium Act, 2015*.

Hon. Mr. Cathers: I already covered much of this within my introductory remarks at second reading in the earlier stages of Committee of the Whole so I will look forward to any questions from members opposite.

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

We will move, then, to clause-by-clause debate.

Ms. White: Madam Chair, with a desire to use our remaining time efficiently in an effort to move toward budget

debate, pursuant to Standing Order 14.3, I request the unanimous consent of Committee of the Whole to deem all clauses and the title of Bill No. 85, entitled *Condominium Act, 2015*, read and agreed to.

Unanimous consent re deeming all clauses of Bill No. 85 read and agreed to

Chair: Ms. White has, pursuant to Standing Order 14.3, requested the unanimous consent of Committee of the Whole to deem all clauses and the title of Bill No. 85, entitled *Condominium Act, 2015*, read and agreed to. Is there unanimous consent?

All Hon. Members: Agreed.

Chair: There is unanimous consent.

Clauses 1 to 240 deemed read and agreed to

On Title

Title agreed to

Hon. Mr. Cathers: I move that Bill No. 85, entitled *Condominium Act, 2015*, be reported without amendment.

Chair: It has been moved by Mr. Cathers that Bill No. 85, entitled *Condominium Act, 2015*, be reported without amendment.

Motion agreed to

Chair: Committee of the Whole will now be going into Bill No. 18, entitled *First Appropriation Act, 2015-16*, in Vote 12, Department of Finance.

We are going to take a brief recess of 15 minutes in order for officials to arrive.

Recess

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

Bill No. 18: *First Appropriation Act, 2015-16* — continued

Chair: The matter before the Committee is Vote 12, Department of Finance, in Bill No. 18, entitled *First Appropriation Act, 2015-16*.

Department of Finance

Hon. Mr. Pasloski: I'm pleased to be joined by Mark Tubman, our Acting Deputy Minister of Finance as well.

I would just like to take this opportunity to provide the Committee with a few introductory remarks on the Department of Finance 2015-16 budget.

As you are aware, Madam Chair, Finance is a small department. It is comprised of 59 full-time equivalent positions. The 2015-16 estimates for the department total \$8.657 million, and virtually all of this is operation and maintenance. \$13,000 is allocated to capital expenditures.

The O&M budget is spread among two program areas as follows. The largest program — and the program to which all department staff are assigned — is the treasury program at

\$8.2 million. Salary costs account for approximately 80 percent, or \$6.65 million, of the treasury budget. Banking services, supplies, telephone, travel, contracts and other support items at \$1.4 million account for another 17 percent of the program budget. The public utilities income tax transfer in the amount of \$213,000 accounts for the remaining three percent.

The other program, the workers' compensation supplementary benefits program, in the amount of \$426,000 is legislated under an act of similar name. It provides supplements to benefits paid to workers who were insured by private insurers prior to the Yukon Workers' Compensation Health and Safety Board coming into existence. These supplements bring the benefits that these workers receive up to the sums they would be paid had they been covered by the board.

As I noted previously the capital budget for the Department of Finance is \$13,000 and is set aside for computer workstations and for printers.

On the revenue side of the ledger, growth is once again occurring. We all recognize that Canada continues to make an important and significant investment in Yukon. The mechanism of the territorial funding agreement has, as members opposite can see, increased the grant from Canada from \$851.3 million to \$874 million. This \$22.7-million increase is largely a result of our increased population and an escalator in the grant formula takes into account the change in provincial and local government expenditures.

As members are aware, Yukon is the beneficiary of other transfers from Canada — namely, the Canada health transfer and the Canada social transfer. For 2015-16, we see increases of \$1.8 million for the Canada health transfer and \$300,000 for the Canada social transfer. This represents respective increases of 5.4 percent and 2.3 percent.

Moving on to taxes and general revenue, our 2015-16 budget calls for stable revenues over the 2014-15 fiscal year. Our 2015-16 forecast reflects adjustments related to our income tax amendments. Our government made the choice to put more money in the hands of Yukoners — approximately \$5.5 million. Notwithstanding, as I have stated, our revenues continue to be stable, allowing our government to offer Yukoners this tax relief.

Our government works hard to maintain our strong fiscal position — that we have money in the bank. This is something all Yukoners can be very proud of. These are the highlights of the Department of Finance's budget. I look forward to any questions.

Ms. Hanson: I would like to offer my thanks to the official who is present with us today and the other officials who provided the briefing to us on the Department of Finance. It was helpful and, as the minister has just outlined, although the operations of the Department of Finance as stated are very straightforward, they certainly have significant impact on the whole of the Government of Yukon. As a central agency, it is a very important department.

I have a number of questions with respect to some of the points that the minister has raised and I don't anticipate that it

will take us all that long to go through this department. Effectively, that is code, so whoever is up next might think about calling their officials.

When the minister was just commenting on the TFFA and the transfer from Canada — and we have had explained to us the various indices that comprise that transfer — the minister made the comment that the current increase of about \$27 million reflected an increase in population and other escalators. One of the things that I would be interested in, if the minister could now tell us, is what is the actual cycle for catch-up? As we see from Statistics Canada, there is actually a decline in the population growth rate for the Yukon government. The one that was done September 26, 2014 shows a decline in the population growth rate as well as a decline in interprovincial migration for Yukon — again from last September 26. These are Statistics Canada figures. The interprovincial migration by province and territory for 2013-14 shows a net loss of Yukon residents to other jurisdictions in Canada.

Can the minister explain a little bit — I know that the description of the formula and how it works is very complicated at times — what the cycle is for catching up as populations decline, and what kind of net impact do we anticipate as a result of this small but steady decline in Yukon's population?

Hon. Mr. Pasloski: I guess I would start by disagreeing with the assertion from the member opposite. In 2014, we saw an increase in population — in fact, to a record level — the highest population that has ever been recorded in Yukon. We have not, through 2014, seen a decline in population.

To answer the question, it is a rolling, three-year average on the TFF, and that is why I have stood up in this House now for years to say that we have to be concerned about the money we spend and how responsible we are, simply because, as I had mentioned in my opening remarks, population is one of the considerations that go into the TFF. Others are expenditures by other jurisdictions — provincial and municipal jurisdictions and their expenditures as well. As they have been clamping down and tightening their belts in the last few years as a result of the recession and as a result of the fact that they have had incredible deficits and huge amounts of debt, they have had to tighten their expenditures. We are seeing the consequence of that as well in terms of reduced growth rate in our TFF. This is not a surprise. This is something that I have spoken to now for a number of years in budget speeches and in debate — that we did anticipate this — and so we are taking the measures that we feel are prudent.

We have to remember that we are indeed in a very enviable position. We are one of two jurisdictions that have money in the bank. I am not sure how long that will continue for the remaining two jurisdictions. One of those two jurisdictions is facing some significant financial challenges right now — and that is the Province of Alberta — and we will see how the new government decides to move forward with those new challenges. We are indeed in an enviable position.

Governments across this country like to talk about deficits or surpluses in a current fiscal year because they don't want to talk about the fact that they have a massive amount of debt. I think for us it is very important that a true measure of financial health is the fact that we have net financial resources. That means that when we take our assets and we subtract our liabilities, we have money left over. We have money in the bank, and that does indeed put us in a very enviable position — a position of strength.

It allows us to do such things as we did this year with the tabling of the amendments to the *Income Tax Act*, allowing all Yukoners who pay taxes to see, in their 2015 taxes, that they will in fact pay less tax. We believe that putting that money back into people's pockets allows them the choices — how they deem to use that money. We're confident that a number of those people will reinvest that money that they did not pay in taxes back into this economy, and that's a good thing.

Ms. Hanson: I would just refer the Minister of Finance to — I'm assuming that he doesn't dispute the validity of Statistics Canada and their quarterly demographic estimates — their analysis, dated March 18, 2015. In the north, Yukon posted population declines in the fourth quarter of 2014. Similarly, population growth rates in 2012-13 and 2013-14 for the Yukon showed a falling growth rate. I'm not asking a question of theory, Madam Chair. This is a question of how you catch up and how you plan for that because one thing we've seen with the minister under his watch — the annual surplus of this government has gone from some \$77 million to \$23 million and I think it's important to consider this in terms of how the Department of Finance, as the central agency — the treasury — which, according to the budget documents is responsible for the overall insurance — Finance then is basically the equivalent in many ways to the Treasury Board at the federal level. It is the design, implementation and maintenance of not only our financial administration — or management information systems — but of all of the related taxation policies as well as the coordination and negotiation of our financial agreements with the federal government and other governments as well.

It's particularly pertinent when we look at the fact that, as Standard & Poor's has pointed out on page 6 of their report that — and I quote: "Public administration, health care and social assistance, and educational services remain the foundations of Yukon's economy, constituting a significant portion of its economy".

When I asked the question with respect to what the Minister of Finance, as he's forecasting forward and planning as the central agency and as a treasurer and looking with the responsibilities of the Management Board, which is responsible for the analyzing of all proposals for the application of human and financial resources — so any sort of expenditures proposed by any of his caucus colleagues — what does he anticipate?

I hear and I understood — and I had heard this before with respect to a three-year rolling average of when — but if the minister refuses to acknowledge that the statistics show this, then how do we have confidence that in fact he is giving

direction to his departmental officials that when that lens — that central agency lens — is put on proposals from his caucus colleagues with respect to proposed expenditures, given what Standard & Poor's has already indicated is a significant — when a significant portion of our economy and the foundations of our economy remain in those broad areas of public administration, such as health care, social assistance, educational services — so despite the attempts to try to bolster various sectors of our private sector, the reality is that our dependence on federal transfers has grown under this government's direction.

If we see that there are various indices that will affect that federal transfer, my question is: How much does the minister anticipate that to be? When does he expect it to catch up? There's that whole notion of catch up and keep up, but when do we expect it to catch up and what is he doing to anticipate that?

Hon. Mr. Pasloski: During the statement by the member opposite, I pulled up from the Yukon Bureau of Statistics a population report from December 2014 that highlights that the estimated population of Yukon in December 2014 was 37,183, a record high — an increase of 700 or 1.9 percent compared to December of 2013, which had a total of 36,483. That was the number that I was quoting from.

Our long-term vision for this territory is to make Yukon a net contributor to this great country that we're a part of. Our focus is how we get there, and that is through a number of things that we can control, such as investing in record amounts of capital investment in this territory to create infrastructure that we need today, but we're also going to need for years to come, such as seniors residences, schools, hospitals, improving roads and bridges — things that we need today but we will need in the years to come. So they have the added benefit of providing jobs and stimulus income to the economy today but also, through those jobs, it allows people who are training in apprenticeship programs to get to completion of their journeyman or red seal programs. It provides good jobs and income for the economy but it's also building that foundation for the future.

We're also focused on regulatory and permitting improvements. We've heard the Minister of Energy, Mines and Resources talk about a mineral development strategy and mine licensing improvements, areas that we can ensure that we take out the curves in some of those roads, always maintaining that high level of environmental protection. We believe that there is a process and that's why we're working with First Nations, why we're working with industry, why we're working with the YESA Board and why we're working with the Water Board to help us get through that so as to move forward through those processes.

We want to diversify our economy. That is why we are looking at such things as a second fibre optic cable, which we believe not only is a great opportunity for existing businesses and is more affordable, faster, reliable service for all Yukoners, but I think in terms of providing greater opportunities for existing businesses within the IT sector and

perhaps attracting even more business opportunities to grow and develop that sector. We are very confident. I applaud the work of the former Minister of Economic Development and the current Minister of Economic Development for their leadership in those areas. In the end, it is through the growth in the private sector that helps us get to where we want to go — where we need to go — to be responsible and not to rely on the backs of those people who are working in provinces such as Saskatchewan, Alberta and British Columbia.

It is through the efforts of these taxpayers, of people who are working in the private sector economy that provides the money for governments to provide the services that she was talking about — to provide for schools, to provide for teachers and doctors and hospitals — and to allow us to deliver those programs and services — because the money doesn't grow on a tree. We need to see that we can continue to grow our economy and have those services and programs that we need, or that we want to supply for those people in our society who need that hand up as well.

We will continue to work through the good people in the Department of Finance in our forecasting — as to what our anticipated levels of financial support through the TFF that we will receive from the federal government — but we will also have to be fiscally responsible and to live within our means. As a result of very strong growth in population in the last number of years and as a result of some increased spending in the provinces and municipalities because of the original Building Canada program, we did see some significant increases over a number of years.

We now have, as I have mentioned, anticipated in the past. We are now in a period where the growth is not as high.

I dispute her comments saying that it's declining. I know we have seen a slower rate of growth, but there are no decreases. We will continue to monitor that. We will continue to work on strategic investments to build infrastructure but will also allow for some investment within our economy here in the territory. We will work on those processes that will help us in the long run as we come out of this cyclical downturn in the resource industry, because we have in the past and we will in the future. We are very bullish and very proud of the work and investments we have done in other sectors, such as the tourism industry, which continues to outperform the rest of the country.

We will do all of these things because we believe that is the path forward. There are ways to deal with decreased rates of revenues and that isn't necessarily by increasing taxes. We are very proud of the fact that we are putting about \$5.5 million back into Yukon taxpayers' hands here for 2015.

I think that, ideologically or philosophically, the NDP would just feel that we need to increase the dues. We feel that through fiscal management, there are other ways to control, and that is also to control your spending. We believe that we can control spending. We believe that we can continue to monitor and project what our revenues will be and continue to invest in our economy. We are optimistic that, over time, we will see the turnaround in the resource economy and that we

will be very much in a better position than we were when we went into it.

Ms. Hanson: It sounds like the Minister of Finance has a similar regard — or disregard — for facts and data as his federal counterpart, and that is unfortunate. We will just let the record show that Statistics Canada — their various publications, annual or quarterly demographic estimates and analyses — are irrelevant to the Minister of Finance.

I would point out that his notion of future tense — that the government will have to be fiscally responsible. If the government had been fiscally responsible for the last 12 years, we wouldn't have seen a threefold increase in terms of dependency on federal transfers or, since he has been Minister of Finance, an increase of 1.3 times the dependency in terms of these federal transfers. We would have seen that robust growth in the private sector that he likes to talk about, but so far has not demonstrated. I guess we won't get an answer with respect to the fact piece that I was asking for. We will get the message box again and it sounds like it is the campaign speech all over again.

I do have a question with respect to — the minister talks a good talk about increasing the opportunities for the private sector and the abilities for people to come and work here, and that means that we would see a great increase in our taxes and our general revenues. However, notwithstanding the fact that if we delete the \$5.5 million that the changes to the taxation laws made this year, we are seeing a net decrease of around \$3.4 million — an actual decline in estimated taxes and revenues. I am using the actual figures that we have, not the forecast or estimates — but the actuals from 2013-14 were \$131 million. The forecast this year is \$122 million, which is about \$8.9 million. If you take off the \$5.5 million, we are looking at about a \$3.4-million difference. It doesn't sound to me like the Minister of Finance's initiatives and efforts to increase the non-federal transfers — the own-source revenues from all revenues and taxes. I am talking about all revenues. I won't get into the particulars. We will leave some of those to the various departments like Energy, Mines and Resources where we will see how low they really are — the other revenues. Can the minister explain what he attributes this decline in own-source revenue to?

Hon. Mr. Pasloski: You know, the leader's comments at the beginning of her statement truly show that she does not have an understanding at all. To imply that the threefold increase in transfer payments has resulted in not having a strong economy makes absolutely no sense at all, Madam Chair. The increase in transfer payments are as a result of the territorial formula financing agreement. I guess my question to the member opposite is: Would she be refusing that money? If she would, I would ask her how she then plans to pay for the health care dollars, for the doctors and the nurses and how she plans to pay for the teachers and the programs — the post-secondary programs as well. I guess she's opposed to essentially the private sector economy, but she's also opposed to the transfer payments, so I would be very curious to know the NDP's position and how they actually propose to come

forward and deliver these programs which we all know are so important.

There are three components to the territorial formula financing agreement — or, I should state, the money that we received in federal transfers from the federal government. You know, one part is where we are provided money at cost recovery for delivering programs on behalf of the federal government — programs that the federal government is obligated to deliver on behalf of Yukoners and all Canadians — and we deliver those programs for them on a cost-recovery basis.

We also have, for lack of a better term — we could call them “one-offs”. This is money that not only do they offer to Yukon government; they offer it to all the provinces and territories. An example that is applicable — one to all of Canada is the Building Canada fund. They provided money to us as a one-off to provide infrastructure investments, to which we contributed 25 percent as well and saw substantial increase in investment in not only roads and bridges, but also clean water, waste water, and improvements in infrastructure.

Another one that comes to mind in terms of one-offs would be type 2 site reclamation, which is a substantial investment especially in the Faro mine site. We have those and then you have the actual base amount that we get through TFF and also what we get through the CST and the CHT as well.

Let’s talk about growth and own-source revenues, Madam Chair. They certainly have outpaced the base transfers from Canada. Since 2005-06, we have seen an increase in own-source revenues by 93 percent. We have seen an increase in the base TFF by 77 percent.

Own-source revenues as a percentage of our total budget in 2005-06 were 14.3 percent. In 2015-16, it is projected at 15.5 percent. If we simply look at the money that we received in the territorial formula financing for 2015-16, it was an increase of 2.68 percent. I could compare that to the payments that were handed out in this same fiscal year for the provinces through equalization — it was 3.85 percent. Those are the facts. I think it is important to note that for the record.

As I have stated in this House in the past and I will say it again, we believe that investing in our Yukoners by lowering taxes for all Yukon taxpayers is a good thing. Because we have money in the bank, we can afford to do that. We also provided a wholesale price for liquor for establishments that have liquor licences. I know that many of the people I have spoken to who hold those liquor licences today are certainly very grateful for that. The comment was to ask why this was not done many years ago. It was this government that came forward and made that investment and, certainly for some businesses, that was probably the difference between viability and non-viability in a time when we saw some slumping sales as a result of the slowing down in the mineral industry.

I think it becomes obvious, at times like these, how important the mineral industry is to this territory. When you are anywhere from 18 to 23 percent of the GDP, that has an impact on not only direct jobs within the mining and exploration industry, but a pyramid effect throughout this

economy. It is certainly not only the helicopters, the hot-shot services and the tire and the fuel businesses, but it’s the grocery stores, it’s the people who sell cars, it’s the people at the restaurants and food establishments and hotels as well that have an impact. That is why we continue to say that the mining industry is indeed the cornerstone of our economy.

We continue to support financially with record investments in tourism. We continue to work on growing that. We know the Minister of Tourism and Culture returned earlier this year from a trade mission to Asia. I went on a trade mission with industry back in 2013 to Germany and to England. We continue to make strategic investments to try to diversify this economy — as I mentioned, the fibre optic program that we support. Look at the investments we are making through Yukon College with the Centre for Northern Innovation in Mining and the mobile trades training trailer.

We continue to focus on areas to see that we are ready and that we continue to build a base of qualified and skilled people who will be able to deliver the needs that we need today and in anticipation of greener days ahead.

Mr. Silver: Thank you to the departmental official here for his time here today. We know it’s greatly appreciated to be able to sit and discuss some of the issues today in the Department of Finance. I only have a couple of questions for general debate here in Committee of the Whole.

I am going to start with asset-backed commercial paper. As we all know, a number of years ago the government made a 30-day investment in asset-backed commercial paper — I believe it was \$36 million. That money has been frozen for many years but, as we were told in lock-up this year, that was continuing to thaw. Can the minister update the House on the status of Yukon’s investment in asset-backed commercial paper? How much interest have we received over the life of the investment? Are we going to get the entire \$36 million back — and the timelines therein?

Hon. Mr. Pasloski: That is an interesting question. That was a question that came out very frequently during the 32nd Legislative Assembly — on a regular basis for those people who were part of that session or those of us who enjoyed listening to the debates and the questions of the day. Asset-backed commercial paper was a question that one of his predecessors was very much interested in. I think the short answer to the questions is yes. We will be receiving the money back — I believe the date is early 2017. Not only that, there is also interest that has accrued. I think that is the short answer. I could go into a whole bunch of detail here. I think if the member opposite wants it, he can ask me for it. We can talk about the different series of notes and the ratings. We can talk about the interest and principal by year, and we can talk about interest rate adjustments if he wants. The short answer to his question is that the Yukon government expects to receive the entire principal back in 2017. If he wants more, I will provide that for him.

Mr. Silver: I think I was very specific in my question. I want to know how much interest has been received over the life of the investment and also whether or not we are getting our \$36 million back.

I will move on to another question. Like I said, I only have a few questions left here after the Leader of the Official Opposition has gone through a few as well.

It is known that the Yukon has no net debt. We still do owe millions of dollars, mostly through the Crown corporations — the Development Corporation and the Hospital Corporation. Last fall, the Premier said that the debt was around \$195 million. What is the total amount owing today? Also, what is the amount per year that is being paid to service that debt?

Hon. Mr. Pasloski: Back to his first question, the interest accrued on the asset-backed paper as of my note that was printed in April is \$2,953,621. I don't have an exact up-to-date number on where the total amount of the borrowing is. I can get that for the member opposite. I believe it is slightly more than \$200 million and we can provide a breakdown on interest rates on all of that money as well for the member.

Mr. Silver: The other part of that question as well — and I thank the Minister of Finance for getting these numbers to me — is what amount per year is being paid to service that debt? The reason why we're asking questions of the corporation in 2013 is that the government made a one-time \$27 million payment to the Yukon Hospital Corporation to help pay down its debt. That might have set the precedent. We hear a lot about a separation between what the corporations owe and what's on the paper in the budget, but when the government makes a one-time payment of \$27 million to help pay down those debts, it does beg some more questions. Have any other considerations been given to using part of the surplus to pay down debt in any of other Crown corporations for example?

Hon. Mr. Pasloski: What I will provide is that of course we owe money, but we also have money that's invested as well, so really the answer to the question is: What's the difference between money that's paid on debt versus interest that's accrued through investments? I think that's probably a more accurate number to be able to look at and I will endeavour to provide that number for the member opposite.

I think every time you look at each opportunity or investment, I think you have to do the analysis to see where the point is where it makes sense to borrow money versus pay with capital. Certainly there can be financial decisions around that or there can also be a bit of ideological decisions around that. For example, on the hospitals to say, well, do we pay for it all now because we can afford to pay it — or do they allow a Crown corporation to borrow the money knowing that a hospital investment will be utilized not only today but for decades to come? So does it make sense to allow for that payment to occur not just by the people who are paying taxes today but by people who will be using that asset in years forward? I think that is always one of the considerations.

Certainly you have to look at the situation. Another situation is when it comes to power generation. I know that some jurisdictions are mandated to borrow up to 80 percent of the capital investment simply because if they use their own

money, the Utilities Board will expect a return on that investment.

Ultimately, in the end, by using your own cash it could in fact create an opportunity where you would have higher utility rates because of the Utilities Board's expectation that the money invested should have a return. If you just put that straight into the capital project, then there might be a demand by the Utilities Board to see that there was a return on it, which in fact could lead to higher utility costs. I guess the short answer to my question is that there isn't a straight answer as to what to do every time. It depends on what the situation is, what type of an investment it is, what is the timeline of that investment — before you make the right financial decision as to how to move forward with that project.

Mr. Silver: I guess the minister answered his own question, but might not have answered mine.

We understand there are reasons to pay down some debts — absolutely — but the question still begs: Is this going to be something we're going to see happening again? Are there any other considerations to give part of that surplus to pay down debts of our other Crown corporations? As we all know, because it has been discussed in the Legislative Assembly quite a few times, we have debt in the Crown corporations in which interest is being paid and not capital as well — so back to the question beforehand that wasn't answered about money and the debt owing and what amount per year is being paid to service that debt. I will leave those two questions and I'll ask my final question, because I don't want to spend a lot of time debating with the minister. I'll ask my question and I'll sit down — basically.

My last question is about — if he can endeavour to answer those two as well — LNG cost overruns. We know that the new LNG facility is almost \$6 million overbudget. This is again a Crown corporation — the government's responsibility therein. Have there been any discussions with the Department of Finance and the Development Corporation about the government covering part of this shortfall — for example, back to my other question about other Crown corporations — or will it be managed completely and solely by the Development Corporation?

Hon. Mr. Pasloski: I'm not sure if the member opposite heard my comments earlier to the Leader of the Official Opposition, but I said that it certainly is very confusing to talk about deficits and surpluses, which is indeed just a snapshot of one year in terms of projected revenues for that year, subtracting your expenses, to come out to whether in that fiscal year you have money — that you didn't spend all the money or you spent a little bit more than what you had. The reason why governments across this country — and indeed across the first world — like to talk about coming to a balance or a modest surplus is simply because they have massive amounts of debt. You know, our debt-to-GDP ratio is probably around eight percent. We have money in the bank. I think the true indication of financial health is the fact that we have money in the bank and we subtract our liabilities from our assets, so we in fact have between \$100 million and \$200

million in the bank. I think that is really the true measure of financial health.

I believe that the Leader of the Third Party did ask this question earlier as well on LNG. I guess at this point I would say that we haven't seen the final results of what the costs of that project are at this point in time and the decisions have not been made as to how the cost of that will be covered.

As you know, Madam Chair, Kwanlin Dun First Nation has agreed to come in as an equity partner in this project. They still have a — I'm not sure exactly how long it is. Once the final total comes in on the project, they do have a number of days or months to decide as to what is their total amount of investment, so somewhere between, I believe, five and 50 percent can be their amount of investment. I think there will be some time that will be taken, as I have just stated previously, to look at all the factors to determine what is the best approach for dealing with the investment that was made — an investment that is made not just for today, but made for the long-term, and also creating a supply chain that could be of interest to future mining projects as well that require LNG or that are now looking at LNG as a less expensive, cleaner burning fuel alternative to using diesel. Time will tell as to what will be the options that will come forward to determine the best way for Yukoners to deal with the cost of this project that will soon be completed, and we look forward to that.

Mr. Silver: I'm not sure if I necessarily got an answer to the question. I'm sure there will be some conversations with the Development Corporation as far as if there are going to be cost overruns. If the minister could enlighten us as to a plan — if they had a plan for cost overruns — and if so, was there a conversation about to deal with that? Would there be help from the government to cover part of this? You would think that these types of things would be covered. It is worth noting for the record that the Yukon has been debt-free for many years, long before this particular Minister of Finance got into his seat as the Minister of Finance and also as the Premier. You would hope as well with hundreds of millions of dollars coming from Ottawa that we would have money in the bank.

I would also like to know on the LNG investment and Kwanlin Dun First Nation: What is the rate of return for Kwanlin Dun? Can the minister share with us some of that information on their part of the LNG investment?

Hon. Mr. Pasloski: Let's be very clear for the record that the last time the Liberals were leading this territory, they were borrowing money to pay wages. You are right; it has been a number of years. It has been a number of years under the leadership of the Yukon Party. I will certainly put out accolades to the former two mandates of the Yukon Party, of which two members are currently part of our team. Let's have no doubt about it that under the NDP at the end of the 1990s, we had thousands of people who left because of an absolute shutdown of the private sector economy, followed up by the Liberals who continued that reign. There was creation of debt and not only debt — because we have debt today — but there is a difference between good debt and bad debt. Good debt is investing in facilities like hospitals that will benefit Yukoners

for generations to come. Bad debt is when you are using your credit card to pay for salaries. That certainly is not good debt or prudent use — I guess the record speaks for itself.

When it comes to Kwanlin Dun's investment, there isn't a straight number answer because it will vary from year to year — percentages based on the debt that YDC has and the percentages based on the return on their investment. Based on the current fiscal year — and I will ultimately default to the minister who is responsible for YDC/Yukon Energy Corporation — I believe that the return for last year would have been 5.33 percent, but I stand to be corrected. What is important to know is that it is a formula that will change based on the parameters of costs of borrowing and rate of return that YDC does have on a go-forward basis.

What we do know is that Kwanlin Dun has come forward and has said that this is a good investment. This is an opportunity for them to partner in an energy program that they see long-term success for. It is also giving them the opportunity, really, to be the first, if they want to get into the local business of distributing LNG locally as well. I certainly commend the leadership of the Kwanlin Dun First Nation on their vision for the long term, and we look forward to that partnership with them.

Mr. Silver: I don't necessarily want to spend today's time in the Legislative Assembly dwelling in the past, but I do want to correct the record because the Premier clearly doesn't have his facts straight. There was no debt — zero debt — when the Liberals were in office — just for the record. Also, there weren't two years of negative GDP growth, either, which we are currently in the midst of right now under the current leadership.

We could do this all day, but I am just going to state for the record that I am still looking for a couple of answers here on interest over the entire life of the investment of the asset-backed paper. I am also looking for an answer on the amount per year being serviced to pay the debts — and also consideration on whether or not the minister responsible for Finance has any more plans to invest more money in Crown corporation principal or debt. These are questions that I have asked that I don't think I am going to get answers to today, but I just want to state for the record that I am looking for answers to those specific questions.

Hon. Mr. Pasloski: It is interesting to see, for the record, the assertions that will be made by the Liberal Party because we know that is probably where they plan to go when, in fact, the next election is called. Again, I think the records will speak for themselves. In fact, the Liberals were borrowing money to pay wages in 2002. That is clear, for sure.

As for this government, we will continue — as we have said — to forecast and project what our revenues will be. We have spoken for years that, based on the changing investment at the provincial and municipal levels across this country, we anticipated the rate of growth to decline. In our TFF, we have seen that occurring now. It doesn't mean we're getting fewer dollars. It means that the rate of growth is declining. We anticipated that. The fact that we have money in the bank

gives us the flexibility at a time when the economy needs it to put a little money back in the pockets of Yukon taxpayers, and we're very proud to do that — not only putting money back into the pockets of Yukon taxpayers, but also supporting Yukon families with children by increasing the Yukon child benefit by 35 percent in those same amendments. We're very proud to be again supporting those families with children and helping them see that they can have the best possible means forward.

This government will continue to look at how we can strategically invest and work with industry and work with First Nations to continue to position us in a manner that allows us to best capitalize on opportunities as they move forward through the resource industry, through tourism and culture and through advanced education. Of course, I would be remiss to not also take a moment to talk about the vision that I articulated during the last budget speech when it comes to education, because truly the long-term success of this territory will be through the success of our children. Our vision is very clear. It is really focused on all students' success. We don't believe that one box fits all for all students, and through the leadership of the Minister of Education, we will now endeavour to find the path to reach to attain that vision.

We know, through the conversations that we've heard, that there is indeed a lot of excitement not just in education among teaching professionals and education assistants, but certainly among parents and First Nations. Everybody is excited to move on. There has certainly been an embracing of that vision that we have articulated. As I have said in this House as well and knowing how important that this is, I'm sure that both parties on the other side will put away their partisanship and their politics and fully get on board and support this vision as well.

Mr. Silver: It's kind of rich that the Minister of Finance can do his barbs against the Liberals — the former Liberal government — and then say to put away your partisanship.

I don't want to stand up here and continue to talk about the past, but when the Minister of Finance tells only half of the story, it is hard not to stand up and defend my party.

Let me ask this question of the Minister of Finance: Is he saying that the Yukon Party has not borrowed to pay wages?

Hon. Mr. Pasloski: I would truthfully have to say that they were indeed very dark days in November 2002 when the Yukon Party took over leadership of this territory.

Under the leadership of former Premier Dennis Fentie and his people, the changes in policy and the environment that they have created has resulted in what we've seen: a decade of 20-percent increase in population and record investments in this territory. As a result of this population growth — essentially a lot of those were people coming home who left during the NDP and Liberal years to find a job. They came home and many other people have come since then, which has allowed us to continue to work on diversifying our economy.

To answer the question, during those deep, dark days of taking over very suddenly in 2002 after — I believe it was the

shortest or second-shortest majority government in the history of the Commonwealth — of hundreds of years. It was either the shortest or second-shortest majority government ever, and then the Yukon Party took over, so I can't honestly answer whether or not during those initial days the government needed to continue on — because it is not like turning a switch, but we have seen the prosperity that has occurred as a result.

I only need to go back to look at times when — 2008-09 — not only this country but the world economy was dropped to its knees. We continue to see strong growth in the territory. Yes, we are impacted today by commodity prices and the challenges when it comes to investment in this territory. The news is that it's not just here. That certainly has been going on all around us. We have seen dramatic decreases in investment around us. Last January, the British Columbia government announced that the industry downturn had resulted in a 29-percent drop in exploration spending in that province, and that the mining revenue for the 2014-15 fiscal year was estimated at only \$95 million — less than half of the originally forecast \$201 million.

Last March, a news release from the Northwest Territories and Nunavut chambers of mines highlighted Natural Resources Canada's 2015 exploration projections at a 54-percent decrease for Northwest Territories. We believe Yukon government's strategic investments are having an impact, as the same news release predicted an 18-percent increase in Yukon for this year. We are very proud of the results of the work that we have done. We know that some of the work that we are doing today will bear fruit in the future, but it isn't always about what we do for you today. It is also setting the path, the course and the leadership for vision for this territory for the long term.

Mr. Silver: I am going to leave it at that. Maybe the Minister of Finance can ask the people who do know whether or not his government — the Yukon Party — has borrowed money to pay wages. A letter would be sufficient.

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

We will start on page 11-6.

On Treasury

On Operation and Maintenance Expenditures

On Administration

Administration in the amount of \$902,000 agreed to

On Financial Operations and Revenue Services

Financial Operations and Revenue Services in the amount of \$3,914,000 agreed to

On Fiscal Relations

Ms. Hanson: Could the minister explain the little-over-\$100,000 increase in this area?

Hon. Mr. Pasloski: I don't have that detail with me. I will provide it, verbally or written, to the member opposite as soon as possible.

Fiscal Relations in the amount of \$294,000 agreed to

On Management Board Secretariat

Management Board Secretariat in the amount of \$1,880,000 agreed to

On Banking Services

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

On Public Utilities Income Tax Transfer

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

Total Operation and Maintenance Expenditures in the amount of \$8,218,000 agreed to

On Capital Expenditures

On Information Technology Equipment and Systems

Information Technology Equipment and Systems in the amount of \$13,000 agreed to

On Prior Years' Projects

Prior Year's Projects in the amount of nil cleared

Total Capital Expenditures in the amount of \$13,000 agreed to

Total Expenditures in the amount of \$8,231,000 agreed to

On Workers' Compensation Supplementary Benefits

On Operation and Maintenance Expenditures

On Supplementary Pensions

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

Total Operation and Maintenance Expenditures in the amount of \$426,000 agreed to

On Revenues

Ms. Hanson: Could the minister clarify the third party recovery charge card incentive and why it has gone from \$87,000 to \$40,000 — so, what it is and why the decline?

Hon. Mr. Pasloski: I believe that cost is the cost of using the merchants' card for processing transactions with their card, but I will confirm with the member opposite.

Revenues cleared

On Government Transfers

Government Transfers cleared

On Changes in Tangible Capital Assets and Amortization

Changes in Tangible Capital Assets and Amortization cleared

Department of Finance agreed to

Chair: We are going next to the Public Service Commission.

Would members prefer a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Public Service Commission

Chair: The matter before the Committee is Vote 10, Public Service Commission, in Bill No. 18, entitled *First Appropriation Act, 2015-16*.

Hon. Mr. Dixon: Thank you, Madam Chair, for the opportunity to speak to the 2015-16 Public Service Commission budget. I have a significant amount of information that I am looking forward to sharing with the House with regard to this budget, but before we get into that, I look forward to hearing from members opposite about their thoughts on the budget and perhaps getting into some debate, so I will cede the floor to the member opposite.

Ms. Hanson: I do appreciate the opportunity to have a conversation about the Public Service Commission, because I will note that I think this is the first time since the election in 2011 that there has been any debate in budget debate about the Public Service Commission, in terms of actually getting it to the floor, yes, but then actually having an opportunity to talk. I'm hoping that, given the time — we have half an hour before the end of this day — we will have an opportunity to cover the commission in the detail and with the care that it does deserve, because the Public Service Commission — as we've just finished dealing with another central agency, Finance. These form core organizations that set the tone and the policy for government and government's interactions.

I will be asking the minister a series of questions. I would like to talk a little bit about the Public Service Commission itself. I have a set of questions with respect to the Public Service Commissioner. Because we have not had an opportunity in this forum to review in any detail the audit of staffing — February 2013 — I have questions with respect to the issues arising from the recent change around the employee assistance program review. I will note that this latter one was touched on lightly during the briefing by the officials. There are also some questions that I would like to follow up on with respect to disability management and the Health, Safety and Disability Management unit within the Public Service Commission. We will be talking about that in the context of statistics and the process for integrating people back into the workplace with respect to disabilities.

Perhaps I could start with the first question for the minister. I do this with all due respect. I hope that the official who is here will understand that when I raise this question, it is simply to clarify an understanding of the process pursuant to the *Public Service Act*.

Under the *Public Service Act*, the Public Service Commissioner — and this is directly from the website — has the power — and this is why I say it's such a significant position — to develop, maintain, administer, and supervise the public service of the Government of Yukon and to delegate these responsibilities to departments.

So it's a very significant position and it's not a peer among peers; it's a peer who is delegating to other deputy-level officials. So that commission has the powers and duties with respect to recruitment classification, compensation, human resource policy, staff relations, including negotiations of collective agreements, human resource data, harassment prevention, employee health and safety, workforce diversity and training and development.

Madam Chair, under the *Public Service Act*, the Public Service Commission is established and that Public Service

Commission consists of the Public Service Commissioner, and that Public Service Commissioner is appointed by the Commissioner in Executive Council to hold office for an initial period not exceeding 10 years from the date of an appointment, and shall be eligible for reappointment — and it goes on. This is section 5 and section 5(2) that: “The Commissioner in Executive Council may, by order, remove the public service commissioner from office before the end of the period ... only for cause and only after...” and there’s a whole series of things that are to be followed in terms of the circumstances, including an inquiry.

My question to the minister is: Given the — if we look at it in terms of hierarchy, the Public Service Commissioner being appointed — and it’s unlike a deputy minister position that is appointed at pleasure and is usually seen as interchangeable among other deputies. We see that on a regular basis, not just with this government, but with other governments — deputies do move around. It is highly unusual to see the Public Service Commissioner move from a position appointed for a 10-year term; a 10-year term that, according to the legislation, may be extended or renewed.

Could the minister explain the process that was followed? One day we have this commissioner, who is the Public Service Commissioner, pursuant to the *Public Service Act*, who is now a deputy minister. How does that coincide, or where is that provided for in the legislative framework?

Hon. Mr. Dixon: Thanks to the member opposite for her question. I was remiss when I started in not introducing the official from the Public Service Commission who is with us today. Jim Connell is the new Public Service Commissioner for Yukon, who has joined me in the legislature today to assist in providing information and answers to the Legislature with regard to our budget. Jim has served in a number of leadership positions in government in the broader public sector over the past 25 years. He began his public service career with the Yukon government and held several senior management positions in the Executive Council Office and the Department of Renewable Resources before taking on senior leadership roles with Canadore College in North Bay, Ontario and the Ontario college system.

Most recently, Mr. Connell returned to the Yukon government to serve in Finance as director of the Management Board Secretariat and then became Assistant Deputy Minister of Strategic Corporate Services for the Executive Council Office. He then served as the Deputy Minister of Environment during part of my time as Minister of Environment and most recently served the current Minister of Environment as the deputy there before becoming most recently, as I noted, the new Public Service Commissioner.

Mr. Connell has a BA in economics and history and has completed a post-graduate teacher qualification program at UBC. He has also completed training in strategic planning, quality assurance and negotiations. Mr. Connell wasn’t aware I was going to read his bio in the Legislature, but I’m happy to have done so despite the fact that he may be blushing now or thereabouts.

I think it’s important before answering the question directly to note some of the important items that are in the budget that are before us today. The Public Service Commission acts as the employer on behalf of the Yukon government under the *Public Service Act*. The department provides human resource direction, advice and support services to Yukon government’s departmental employees.

The Public Service Commission works with departments to uphold the key staffing principles of merit and employment equity while maintaining agreements that delegate hiring decisions to departmental deputy ministers. In this role, the Public Service Commission delivers strategic human resource services, including: the processes governing recruitment, classification and employee compensation; data analysis and human resource management systems; training and development programs; labour relations; initiatives to achieve a representative public service; corporate human resource planning and policies; corporate health and safety; and disability management services.

I am now happy to provide an overview of both the operation and maintenance and capital budgets for the Public Service Commission that is before us today. The Public Service Commission’s estimated budget for 2015-16 is just over \$44 million. This reflects a total increase of \$2.032 million, or 4.8 percent, from the 2014-15 main estimates. This increase is largely in the operation and maintenance vote. The capital budget for the commission is generally small and consists of funding to replace operating equipment, computers and furniture.

I will also note that the budget book provides comparisons to the previous year’s budget for both the main estimates and forecast. I will speak to the changes between the two years’ main estimates. As one turns the pages and looks at the various program areas, most changes are small and reflect only the planned costs for the current staff complement.

Corporate human resources and diversity services show an increase of \$284,000. This branch has responsibility for many of our public service diversity programs, including disability services and aboriginal workforce services. They support implementation of the final agreement representative service plan across all departments — our government’s plan to meet the commitment to increase the representation of aboriginal employees in the public service. \$250,000 of land claims implementation funding previously held in Executive Council Office was permanently transferred to the Public Service Commission to support the plan implementation this year, with the balance reflecting planned costs for the current staff complement.

Labour relations shows an increase of \$267,000. This increase reflects planned costs for the existing staff complement, as well as an additional allocation of \$237,000 to support collective bargaining. The current collective agreement with the Yukon Teachers’ Association is set to expire on June 30 of this year, while the collective agreement with the Public Service Alliance of Canada is set to expire on December 31, 2015.

I should also note that the Yukon Teachers' Association and Yukon government recently reached a tentative agreement that was announced by press release earlier this week, with details to follow, subject to ratification by the parties.

The workers' compensation fund shows an increase of \$385,000, or eight percent, from previous estimates. This increase is due to wage increases across government, following the successful conclusion of the YEU and YTA collective agreements and management staff increases, and an increase in premium rates effective January 1, 2015. Our new premium rate is \$1.52 per \$100 of insurable earnings, up from \$1.46 from the previous year.

The 4.1-percent increase in the premium rate is to pay for the presumptive coverage for firefighters under the *Workers' Compensation Act*. The categories of presumption are for cardiac arrest and specific forms of cancer.

The employee future benefits budget is the largest line item in the Public Service Commission's budget. It is determined by actuarial review of the estimated future obligations due to employees when they leave the government or retire. The amount reflected in each year's budget is the increase required to the liability. The estimate reflects a variety of actuarial factors, such as life expectancy and age of the workforce. This item totals \$22.8 million and represents 51 percent of the Public Service Commission's budget.

Moving on, the Yukon government employs a diverse workforce to deliver vital programs and services for Yukon people in communities. The Public Service Commission's role is to provide strategic corporate leadership as well as central services for human resource management and the public service. Direct human resource management services within Yukon government departments are provided by those departments' human resource management staff.

The commission's key goals for the next two years include: building and strengthening our partnership with our clients in providing human resource services; promoting a diverse workforce that is representative of the Yukon public we serve; implementing human resource sustainability initiatives; and attracting, developing and engaging talented people to provide high-quality public service now and into the future.

The work of the Public Service Commission is carried out by nearly 90 employees in nine branches. Approximately the same number of employees work in individual departmental human resource units throughout the government. The operation and maintenance budget for the Public Service Commission is just over \$44 million. This is an overall increase of about 4.83 percent from the previous estimates and is mainly due to: increases in wages due to increments in wages resulting from the new collective agreements — 1.75 percent in 2015, for instance; increase in WCB costs due to increase in rate from 1.46 percent to 1.52 percent; and increase in employee future benefits after actuarial evaluation in 2013-14.

Actuarial evaluations are done every three years. In addition, the Public Service Commission was allocated

\$237,000 to support a collective bargaining agreement, as I noted previously.

Madam Chair, if we look at the various branches of the department, I think it's important to note first of all that one of the important branches we have in the department is the Finance and Administration branch. The Finance and Administration branch budget of \$974,000 is an increase of \$26,000, or three percent, from 2014-15 estimates. The current budget reflects wage and benefit level adjustments for the current staff complement. This branch provides corporate financial management and administrative services to the Public Service Commission. This includes financial analysis and reporting, budget and variance monitoring and asset management, acquisition, space and information systems planning and records management, including access to information and protection of personal and privacy requests directed to the commission.

It also administers two corporate programs on behalf of all Yukon government departments — those being employee future benefits, which is the employers' projected liability for future benefit payouts to employees on employment termination and extended health benefits for retirees as determined by actuarial evaluation and premium payments to the Workers' Compensation Health and Safety Board.

Madam Chair, moving on to the Corporate Human Resources and Diversity Services branch, this branch provides human resource services for the department and establishes the organizational framework to guide staffing decisions and processes across government. This includes temporary assignments and special recruitment programs such as the GradCorps internship program for recent Yukon graduates. CHRDS — Corporate Human Resources and Diversity Services branch — also manages First Nation programs and services, including implementation of final agreement representative public service planning commitments and the aboriginal recruitment and development program. The branch also handles employee relocations and removals and coordinates recruitment advertising and the e-recruitment system.

Finally, the branch also assists to develop a public service more representative of the population through the workplace diversity employment office. The branch coordinates the Aboriginal Employees Forum, which includes membership of about 165 aboriginal employees. The annual Aboriginal Employees Forum award of honour ceremony recognizes the significant accomplishments of aboriginal public servants who have provided outstanding service or contributions to the Yukon government, their co-workers or to the Yukon public. Since 2009, there have been 15 recipients, one special recognition award and 74 nominations from across government. I should also note that this event has grown over the years and has now become a mainstay of the calendar for all Yukon government employees who are always interested in seeing who is winning the award this year, and it has become a wonderful event to celebrate the contribution to Yukon government of aboriginal employees.

The Corporate Human Resources and Diversity Services branch has an increase this year of \$284,000 — or 11 percent from the previous estimates. This reflects a wage level adjustment for the current staff complement, as well as additional funding from land claims implementation funding of \$250,000 permanently transferred to the PSC from the Executive Council Office.

An important branch of the Public Service Commission is the Compensation and Classification branch. This branch provides the corporate leadership to deliver job classification services and comprehensive compensation packages for employees. Compensation and Classification also provides training and advice to department human resources staff on the administration of pay and benefits and participates in decision-making processes affecting employee compensation. The branch also manages classification appeals.

The 2015-16 budget of \$2,399,000 has increased by \$57,000, or two percent, from the previous estimates. This reflects adjusted wage levels for the current staff complement.

Turning to the labour relations branch, the labour relations branch represents the government as employer and collective bargaining with the Public Service Alliance of Canada and its local component, the Yukon Employees Union, and with the Yukon Teachers' Association.

The branch represents the interests of the employer in labour relations matters, including advising departments regarding interpretation of collective agreements and other terms of employment, and acting for the employer in grievances and other employment-related disputes.

Labour relations also coordinates the annual long service awards on behalf of all departments.

I should note that that event has become quite a popular event for all Yukon employees, who often attend with friends or spouses and celebrate the contribution of their peers and colleagues to Yukon government over the years.

Important, as well, is the workers' compensation fund. The workers' compensation fund shows an increase of \$385,000, or eight percent, from the previous estimates. This change combines increases in WCB premium rates and maximum accessible earnings in 2015, with wage-level increases for all staff as a result of collective bargaining increments for unionized staff and management staff increments.

WCB premium rates, as I noted before, have increased to \$1.52 per \$100 of wages, effective January 1, from \$1.46 per \$100, or 4.1 percent.

In accordance with the *Workers' Compensation Act*, the Public Service Commission pays WCB-assessed premiums for all Yukon government employees. This cost, of course, is non-discretionary.

The human resource management systems provide software solutions that support the quality, security and protection of corporate human resources' data within the Yukon government. This includes developing information and delivering information reports, ensuring the quality and protection of corporate data, and providing business analysis services to support human resource planning.

This budget of \$945,000 shows an increase of \$26,000, or three percent. This reflects current wage levels for the staff complement.

In the policy, planning and communications branch, the budget for this branch is estimated at \$833,000, an increase of \$15,000, or two percent, from the previous estimates. The change reflects the current wage levels of the staff complement. I should note that this branch develops and maintains human resource policies pursuant to, again, policy 3. The branch also facilitates strategic planning within the commission and offers strategic communication services for the department. In addition, the branch coordinates the Yukon government employee engagement survey on behalf of all departments.

As well, the employee future benefits fund is important, but I know that we're running out of time so I won't be able to get into that branch. What I did want to note was that, while I did introduce our new Public Service Commissioner, I did want to take the opportunity to thank our previous Public Service Commissioner, Catharine Read, who has moved on to the very important post of the deputy minister responsible for the Executive Council Office. As we all know, that's a very important post and I know that Ms. Read was very excited to take on the new opportunity in the Executive Council Office.

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

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

Motion agreed to

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

Chair: It has been moved by Mr. Elias 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. 87, entitled *Personal Property Security Registry (Electronic) Amendments Act*, and directed me to report the bill without amendment. Committee of the Whole has also considered Bill No. 85, entitled *Condominium Act, 2015*, and directed me to report the bill without amendment. Committee of the Whole has also considered Bill No. 18, entitled *First Appropriation Act, 2015-16*, 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.

Mr. Elias: 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 5:27 p.m.

The following documents were filed May 20, 2015:

33-1-114

Fleet Vehicle Agency 2015-16 Business Plan (Kent)

33-1-115

Queen's Printer Agency 2015/2016 Business Plan (Kent)