

**Yukon Legislative Assembly
Whitehorse, Yukon
Tuesday, May 5, 2009 — 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?

TRIBUTES

In recognition of Emergency Preparedness Week

Hon. Mr. Lang: On behalf of the House, I rise today to acknowledge Emergency Preparedness Week. This is a territorial, provincial and national initiative to highlight for all Canadians the importance of individuals and families being prepared for emergencies.

This year's Emergency Preparedness Week is timely as we follow current events like the H1N1 flu, the potential of floods in our communities, like the one just experienced by the residents of Rock Creek this past weekend, and the ramp-up for the upcoming wildland fire season.

Emergency Preparedness Week highlights for us the importance of being prepared. The Government of Yukon, through the leadership of the Emergency Measures Organization, coordinates people and resources from various departments to manage risk and emergency events under the umbrella of the Yukon government emergency coordination plan.

This plan enables the government to prepare for all risk, including, as I have mentioned, recent events around the world related to the H1N1 influenza virus. The Yukon government's response to this potential risk is set out in the plan, with Health and Social Services taking the lead.

Indeed, the Yukon medical health officer, Dr. Hanley, has been keeping the public informed of the situation on a daily basis, and the Department of Health and Social Services has implemented emergency plans in preparedness for potential cases reaching Yukon. As we've heard from Dr. Hanley, there are no confirmed cases of the virus in the Yukon to date, and all cases outside of Mexico have been mild. Nevertheless, Yukon is prepared, and EMO is ready to act should the need arise.

Emergency preparedness, response, and recovery are shared responsibilities. Yukon coordinates with the federal government, self-governing First Nations, municipalities and the private sector through the emergency coordination group, in order to share information and work together in preparedness for all risks.

While it is imperative that the Yukon government and other governments and agencies in our communities are coordinated and prepared through proper planning, emergency preparedness also starts at home. Yukoners face a number of potential emergencies every year, whether risks due to flooding

and wildland fire in the summertime, or from risks associated with survival in our cold winter months. We also face other unpredictable risks that come from time to time, so some basic preparedness can really make a difference.

During Emergency Preparedness Week, the Yukon EMO reminds Yukoners to be ready to cope on their own for at least the first 72 hours of an emergency. Being prepared involves three principal steps: know the risks, make a plan and get an emergency kit. As a family, draw up an emergency plan and assess the risk to your home and property. Do you live near water or on property that is prone to floods? Whatever the risk, take steps to be prepared. Create a home emergency kit, consisting of food, bottled water, batteries and flashlights, a hand-held radio, first aid kits, medication, cash, extra keys, pet food supplies and even a manual can opener.

Think about other basic survival supplies that your family will need and also take the time to create an emergency kit for your vehicle. With some preplanning, you already know what you and your family will do to get through the challenges associated with whatever crisis may face you or your community.

In closing, Mr. Speaker, emergency preparedness is a shared responsibility and you all can do your part to be prepared. During the Emergency Preparedness Week, I ask the members of this Legislative Assembly and encourage every Yukoner to think about emergency preparedness.

Thank you, Mr. Speaker.

In recognition of National Mental Health Week

Mr. Cardiff: Mr. Speaker, I rise on behalf of the Legislative Assembly to recognize May 4 to 11 as National Mental Health Week. I'd like to recognize those Canadians who suffer from mental health issues and the struggles that they face daily, weekly, monthly and for a lifetime. We'd also like to pay tribute to the front-line workers and the non-governmental organizations, the crisis line volunteers, housing advocates, all who provide supports and work to counter the stigmatization of the mentally ill.

The theme this year for the Centre for Addiction and Mental Health is "Stigma", and the need to understand the impact of prejudice and discrimination against people with mental health and substance abuse problems. This notion of stigma brings to mind an image found in European art from the Middle Ages. To quote: "It's the ship of fools". Foucault wrote that in some European cities they rounded up the mentally ill and placed them on boats, which served as primitive concentration camps. That's how society has dealt with people suffering from mental illnesses. They sent them out to sea. These ships were denied permission to dock anywhere, so they were stranded at sea, sailing endlessly from port to port, and there is some debate as to whether or not these ships actually existed. Maybe it's an allegory, but it is clear, however, that people with mental illnesses have suffered — historically and presently — from mistreatment, from institutionalization and huge barriers to acceptance in society.

The long drifting shift may have eventually docked only for its inhabitants to be rushed into prisons, institutions and psychopharmacological straitjackets.

We all probably know someone with a mental health or substance abuse problem. The stats show that one person in five in Canada — over six million people — will have a mental health problem during their lifetime.

Mental health and substance abuse problems affect people of all ages, education and income levels, religions, cultures and all types of jobs. There are many reasons why people develop mental health and substance abuse problems. Some are genetic — people are born with them. Some come out of people's experiences, the stresses of work, the pain of loss and the trauma of warfare.

For National Mental Health Week, let's work toward recognizing that our attitudes need to change about mental health. Let's initiate efforts that give people dignity and a place in society.

Manitoba's *The Mental Health Bill of Rights* is a good starting point. Some of the rights that it affirms include full and equal access to social, recreational and employment programs that are open to others; adequate housing and a supportive environment and access to information. So let's build the community infrastructure and the supports that will help people to live happy and fulfilling lives.

Speaker: Are there any further tributes?
Are there any introductions of visitors?
Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Lang: I have for tabling the Fleet Vehicle Agency business plan for the year 2009-10.

I also have for tabling the Queen's Printer Agency business plan for the year 2009-10.

Speaker: Are there any further documents or returns for tabling?
Are there any reports of committees?
Are there any petitions?
Are there any bills to be introduced?
Are there any notices of motion?

NOTICES OF MOTION

Mr. Mitchell: I give notice today of the following motion:

THAT this House urges the Yukon Party government to amend the *Child and Youth Advocate Act* in the 2009 fall sitting to provide the child advocate with the ability to initiate and investigate complaints.

I also give notice today of the following motion:

THAT this House urges the Yukon Party government to amend the *Child and Youth Advocate Act* in the 2009 fall sitting to clarify the ability of the child advocate to assist and advocate for children and youth when dealing with non-governmental organizations that are contracted by the Yukon territorial government to provide services to children and youth.

Mr. McRobb: I give notice of the following motion for the production of papers:

THAT this House do issue an order for the return of the signed contracts for the chair of the Yukon Development Corporation and the Yukon Energy Corporation, dating from his first appointment in November 2004.

Mr. Cardiff: I give notice of the following motion:

THAT this House urges the Yukon government to honour its Five Point Plan for Fetal Alcohol Spectrum Disorder and act immediately on behalf of adults with the condition by providing housing that offers:

- (1) a secure and safe home;
- (2) twenty-four hour supervision;
- (3) treatment for addicted clients;
- (4) training opportunities for clients, staff and professionals; and
- (5) an alternative to incarceration.

I also give notice of the following motion:

THAT this House urges the Yukon government to honour its commitment to a long-awaited and much-needed secure psychiatric unit at the Whitehorse General Hospital, which it promised to open by April 2009.

Speaker: Are there any further notices of motion?
Hearing none, is there a statement by a minister?

Speaker's statement

Speaker: Before we proceed to Question Period, the Chair will provide clarification to a ruling made yesterday on a point of order raised by the Member for McIntyre-Takhini.

During Question Period, the Minister of Health and Social Services made reference to the fact that Leader of the Official Opposition had voted against the *Child and Family Services Act* during the 2008 spring sitting. The Member for McIntyre-Takhini then rose on a point of order citing Standing Order 19(e) which says, "A Member shall be called to order by the Speaker if that member reflects upon any vote of the Assembly unless it is that member's intention to move that it be rescinded."

According to the procedural authorities — *Beauchesne's Parliamentary Rules and Forms, House of Commons Procedure and Practice*, and *Erskine May's Parliamentary Practice* — the term "vote of the Assembly" as used in Standing Order 19(e) refers to a decision taken by the Assembly as a whole, not the vote of an individual member on a bill or a motion.

The key to understanding the intent of Standing Order 19(e) is in the phrase that refers to a member intending that the vote in question be rescinded. The vote of an individual member, on a question already decided, cannot be rescinded. Only a decision of the Assembly as a whole can be rescinded and only if a motion to that effect is put before the Assembly.

We will now proceed with Question Period.

QUESTION PERIOD

Question re: Sole-sourced contracts

Mr. Inverarity: Two years ago, the Department of Highways and Public Works was harshly criticized for excessive use of sole-source contracts by the Auditor General of Canada. Last year the government issued \$8.8 million in sole-source contracts for office space. This equates to about a 60-percent increase in sole-source contracts from the year before.

This problem goes well beyond contracts for office space. Last year the government also spent more than \$123 million through sole-sourced contracts. This equates to a whopping 110-percent increase from the year before. Mr. Speaker, the government more than doubled its use of non-competitive contracts last year. When will this government put “competitive” back into the competitive bidding process?

Hon. Mr. Lang: We certainly work with the communities on our bidding process and we maximize the benefit contracting out for local communities.

Of course, in our rental situation here, mostly in the City of Whitehorse, we have to understand that a lot of our leases are leases that pertain to specific buildings and equipped buildings. It is certainly very hard, in some cases, because of technology and the investment in the building, to actually move the site to another location because of the investment on the ground in these buildings.

So we try to have an open bidding process as much as possible, but sometimes, because of the cost of moving equipment, technology and things like that, it is not possible. We certainly try to maximize the bidding process.

Mr. Inverarity: Mr. Speaker, sole-source and in particular, short sole-source contracts, tend to be the most expensive way to do business. Last year this government issued 40 sole-source contracts for office space to the tune of \$8.8 million. There were only two contracts for office space that were publicly tendered last year. The Auditor General clearly warned the government to curb its dependence on short sole-sourced contracts. This is about value for money, Mr. Speaker. When will this government start following the Auditor General’s recommendations?

Hon. Mr. Lang: We are doing just that, Mr. Speaker. The leases he is talking about are leases that are federal government leases. We are working with First Nations on investments here in the community. We are doing just that, Mr. Speaker.

Mr. Inverarity: Mr. Speaker, there is nothing competitive or fair about the government sole-sourcing 95 percent of its office space contracts. Local businesses lost out on a chance to compete for \$8.8 million worth of business last year because the government used non-competitive contracts and that was just for office space.

As the Auditor General said, and I quote: “In our view, the Department’s frequent use of this provision does not ensure that the Government of Yukon is achieving value for money.” When is this government going to stop this excessive use of unfair contracting policies?

Hon. Mr. Lang: We are aware of the Auditor General’s report and we are working with that report to address the issues that were brought up in that report.

As far as the commitment this government has made to maximize the opportunity for government facilities in the downtown core of Whitehorse, as you can see, Mr. Speaker, we have been quite successful at maintaining the Main Street component of our city. Certainly that bodes well for everybody in Yukon to have the success that we see every day on Main Street in Whitehorse. Those kinds of questions have to be addressed, the Auditor General has to be addressed and we are doing just that.

Question re: Dawson City sewage project

Mr. Inverarity: I have a question concerning another contract — the proposed Dawson City waste-water facility. For some weeks now there has been a great deal of public concern over the handling of the contract for the construction on this facility. A Yukon construction company with many years of experience was disqualified from the bidding process for reasons that need to be explained.

For several weeks now, the government has remained disturbingly silent. These are uncertain economic times, Mr. Speaker, and the Yukon companies hire Yukon workers.

They spend their money in the Yukon, and I’m sure that — well, the minister knows this script. Why was the Yukon company disqualified from this process?

Hon. Mr. Lang: Mr. Speaker, this is a partnership between us and the City of Dawson. This is a very important component to the City of Dawson. This is also being driven by a court order. All of this is very important. At the end of any discussion we have, we have to remember that we have to maximize the benefit to the City of Dawson, because at the end, the City of Dawson will have an O&M cost, so all of those things have to be taken into consideration. As we move through the process, it will become very, very open on why this process was put in place, what happens and how the process unfolds. As it unfolds, we will make the community aware of the decision, how the decision was made and why the decision was made.

Mr. Inverarity: The minister’s avoiding the answer. Mr. Speaker, I’m not satisfied with this answer, nor will most Yukoners be. The reasons given publicly were most disturbing. They lost points for promising to complete the task on time. They also lost points for not specifying a tree protection strategy when there were no trees on the property.

This is a Yukon company and, along with all other Yukoners, it deserves real answers before this process goes any further, Mr. Speaker. There is something really wrong here and the buck needs to stop with this minister. Why was this Yukon company rejected from the process and will the minister meet with them and provide an explanation?

Hon. Mr. Lang: Again I would remind the member opposite that this is a partnership between us, the territorial government, and the City of Dawson, and the process is unfolding. I will remind the member opposite there has been no contract awarded to date. The process is moving forward and, as we get closer and closer to issuing a contract, in partnership

with the City of Dawson, it will be a public document and it will self-explain exactly what the process is and how the component was picked.

Mr. Inverarity: It sure sounds like another sole-sourced contract to me, Mr. Speaker, and for the time being, I will ignore the fact that there seems to be questions around technology that were brought up a little bit earlier. What I don't want to ignore is the fact that the B.C. company's bid was \$25 million and the unopened bid by the Yukon company was only \$16.5 million. Is this working with the City of Dawson? It's a staggering \$8.5-million difference. I wholeheartedly want to believe that there's an explanation here somewhere. There had better be, Mr. Speaker.

I'm asking for an explanation, and I'm not hearing it at all. I remind the minister that this is the Government of Yukon. Yukoners want to know what's going on, so I'll quote what several Yukoners have said to me, verbatim: "What's going on with this tender?"

Hon. Mr. Lang: I find it interesting that the member opposite talks about the "unopened bid," and then mentions a figure. That's an interesting scenario. Let's wait for the process to unfold and, at the end, it is very self-explanatory. There will always be a large Yukon commitment to this, but I remind everybody in the House that we have to get a system in place that the City of Dawson can manage and also that will benefit and does the job that Dawson City has to do.

This is not about anything else but Dawson City and the waste-water situation. That's what we're doing as a government, in partnership with Dawson and, as this thing unfolds, it will be very self-explanatory why the contract is signed and whom we signed the contract.

Question re: Mental health services

Mr. Cardiff: In 2006, this government contracted for a review of Yukon mental health services called the Goldner report. The report revealed that there were serious problems with the way mental patients are treated here.

Mental health sufferers and their families have been very patient, Mr. Speaker. The Second Opinion Society put forward a proposal for housing for mental patients many years ago, and that was ignored. This government contracted with consultants to do a feasibility study on supported housing for persons with psychiatric conditions and acquired brain injury, which they received over 18 months ago. It recommended a range of housing supports tailored to client needs. The Yukon Medical Association has repeatedly called for action on this issue. The government has made promises every year about correcting the problems.

How is the Minister of Health and Social Services acting on the many recommendations from patients, caregivers, physicians, psychiatrists, the Yukon Hospital Corporation, the Second Opinion Society, and consultants —

Speaker: Thank you. Minister responsible, please.

Hon. Mr. Hart: Mr. Speaker, with regard to mental issues throughout the Yukon, mental illness is disabling and it lasts for many years, as the member opposite knows. There are many situations that have to take place, and the member opposite indicated a couple of firms. We do provide assistance to

Many Rivers, also, that enables them to provide counselling for our mentally disabled patients and adults, including the second issue. So I believe that the member opposite has answered his own question with responding to those issues. We continue to work with those organizations in a manner to assist our mentally ill patients.

Mr. Cardiff: Well, the government continues to ignore the problem. The minister didn't answer the question. There is an average of four mental health patients at any one time waiting for in-patient care. Emergency medical staff members are too busy and not equipped to handle mental health cases. Yukon Medical Association has called for more mental health nurses. In response, the government has declared the Whitehorse Correctional Centre a hospital so that it can find a place for mental patients. The president of the Yukon Medical Association last fall called the state of mental health services at Whitehorse General Hospital "paltry." The number of mental health patients grows while facilities and nursing staff remain the same — paltry.

A psychiatric ward with six beds and two secure units for the hospital was promised to be opened by April by this government seven months ago.

Where is the promised psychiatric ward and nursing staff and when will it be opened?

Hon. Mr. Hart: As was indicated previously during debate, monies were provided to the Yukon Hospital Corporation for them to amend the ward to enable them to incorporate a mental health facility within the hospital. That funding has been provided to the hospital. They have informed me that construction has commenced; however, there has been a delay in the process, as they are awaiting the special doors that have to be manufactured back east to come out to the west. They have been ordered. They are on order, they are awaiting those things to come, and that's taking place.

Also, with regard to the nurses, the CEO has advised me that they are only a couple short with regard to providing a full complement of psychiatric nurses for the ward.

Mr. Cardiff: We're getting tired of the minister's lame excuses. The president of the Medical Association long ago called for amendments to the *Mental Health Act*. Because of the convoluted process outlined in the act, doctors wait up to 60 hours to get a patient to service his or her needs. The president called the act cumbersome, bureaucratic and not patient-friendly.

Manitoba has gone far enough to propose a mental health bill of rights, which I will file for the information of the minister. It states that a mental disorder is an illness, not a criminal offence, and that it is imperative that people with mental illnesses receive services quickly and that adequate support is available in the community.

Fetal alcohol spectrum disorder and alcohol and drug addiction are included in their list of definitions of mental disorders. The minister might take heed of more progressive thinking in the field. When will the minister get serious about the problems of mental health patients and their physicians and will he consider a mental health bill of rights?

Hon. Mr. Hart: Thank you, Mr. Speaker. I will just maybe go over a few items with the member opposite. We do provide mental health services for all Yukoners throughout the Yukon. Many Rivers Counselling and Support Services provide counselling in Whitehorse and 10 rural communities. It oversees the No Fixed Address outreach van in Whitehorse and the operations of the outreach program within Whitehorse. The Second Opinion Society provides a range of educational support and practical assistance to individuals who are seeking alternatives to the formal mental health system — Liard Basin task force for a youth counsellor position in Watson Lake, Mr. Speaker, and the Adult Resource Centre for three beds for individuals who require residential services.

Question re: FASD school programs

Mr. Edzerza: Mr. Speaker, special needs children have a right to the best education that they can possibly have and the best start in life. Fetal alcohol spectrum disorder is a lifelong disorder. There is no cure. Those suffering from FASD have brain damage. Does the Minister of Education have any indication of how many students in our schools fall into this category?

Hon. Mr. Rouble: Mr. Speaker, I don't have the statistics at my hand that the member opposite is looking for. The Department of Education does provide funding, though, for initiatives to support students affected with fetal alcohol spectrum disorder. It provides support for public school children based on identified need and not particularly on a diagnosis.

Mr. Speaker, working with the coordinator of the pre-school fetal alcohol spectrum disorder diagnostic team, a local physician and the youth FASD diagnostic and support team, we will continue to provide assistance to those children who have been afflicted by this. Indeed, this is a serious problem in all Yukon communities.

The Department of Education is working very closely with the Department of Health and Social Services. Indeed the member opposite is aware of some of the recent programs that have been put in place. As well, Mr. Speaker, there has been continued education for teachers as well as providing, as I mentioned, the fetal alcohol spectrum disorder programs in the Yukon's education system.

Mr. Edzerza: Well, Mr. Speaker, the minister is correct; this is a very serious issue. It has been proven that children suffering from FASD face different challenges in life than those who are not suffering from FASD. Children with FASD do not fall into typical learning styles or typical learning patterns. At the present time, are children who have been diagnosed with FASD attending regular classrooms in our schools throughout the Yukon?

Hon. Mr. Rouble: Yes, Mr. Speaker, there is significant funding provided to public schools for FASD initiatives. As well, schools receive on-site FASD training. There was ongoing in-servicing for people working with students affected by FASD. New materials are continually being identified and made available. The Department of Education developed a new resource manual called *Making a Difference: Working with students who have Fetal Alcohol Spectrum Disorders*.

We recognize that this is a significant issue affecting many different communities throughout the territory and indeed, affecting all Yukon schools and the students who attend those schools. The department is working very proactively with the Department of Health and Social Services, with non-governmental organizations, with teachers, with parents and with the medical community, in order to provide the best service possible for these students.

Mr. Edzerza: Well, Mr. Speaker, FASD is not an excuse for one's behaviour, but it is certainly an explanation for their behaviour. When things aren't predictable for them, they can start to react in ways that sometimes look like tantrums or aggression, thus disturbing others in the classroom.

I'm going to offer the minister a significant solution to some of the issues. In the Scott Robertson School in Edmonton, Alberta, they have a special classroom for children with FASD. Will the minister consider implementing the same practice in Yukon schools?

Hon. Mr. Rouble: Mr. Speaker, I appreciate the intent of the member opposite, of creating a special class or a special program. One of the areas of great importance to many Yukoners is the inclusive nature of Yukon's education system, and providing an education system for all, where, indeed, Mr. Speaker, we do work with people with a variety of different challenges in our schools. That's why we have seen such an increase in the number of educational assistants and other teachers.

We will continue to provide opportunities for additional training for staff, for teachers and opportunities for parents and work to create a very inclusive education system that meets the unique needs of all students.

Question re: Child and Youth Advocate Act

Mr. Mitchell: There is a lot of public outrage over the way this government railroaded the *Child and Youth Advocate Act* through this House last week. I asked the minister yesterday why there are no provisions in the act to actually advocate on a child's behalf.

Some Hon. Member: (Inaudible)

Point of order

Speaker: The Member for Lake Laberge, on a point of order.

Hon. Mr. Cathers: I think the member's characterizing debate in this Assembly and characterizing votes as "railroading" something through is not in keeping with the practices and standards in this House.

Hon. Mr. Kenyon: The member opposite is now not reflecting on the vote of an individual member; he's reflecting on the vote of this Assembly, subject to Standing Order 19(e).

Speaker's ruling

Speaker: From the Chair's perspective, it's simply a dispute among members. There are going to be words used in here that one side or the other is going to find objectionable. But in the general style of debate, I think they've been allowed in the past. The Leader of the Official Opposition can carry on.

Mr. Mitchell: Thank you, Mr. Speaker. I asked the minister yesterday why there are no provisions in the act to actually advocate on a child's behalf. We didn't get a satisfactory answer, so I'll ask again.

A glaring flaw in this legislation is that the advocate does not have the authority to investigate a complaint on behalf of the child. Instead the legislation allows the advocate to investigate a matter on behalf of the minister.

Mr. Speaker, this government just passed a new law that requires the child and youth advocate to seek the minister's direct permission before acting on a child's behalf. I want to hear the minister tell us why he supports such a flawed piece of legislation?

Hon. Mr. Hart: Okay. The main reason for establishing the child and youth advocate is to provide assistance to children and youth receiving services from the government — in particular, children in the care of government who may not have families who can advocate on their behalf. Our responsibility as a government is to ensure that our services are meeting the needs of the youth. That is why the job of the advocate is focused on the services directed by the government. We believe the advocate will be very busy assisting children throughout the Yukon.

It is important to recognize that many people are involved in assisting youth. We have social workers, as I indicated yesterday, youth workers, community volunteers, NGOs workers all assisting children and youth. The advocate will not take over the role of these people, because that was also one of the major factors in developing the child advocate — it was not to duplicate services currently being handled in the Yukon, and we believe, Mr. Speaker, that that's what we've achieved.

Mr. Mitchell: Well, Mr. Speaker, I'm going to agree with the minister. It is about meeting the needs of the youth, but we haven't created an advocate that can do that.

Now, yesterday, the minister said, and I quote: "The object of our process or our goal was to have it concentrate on the child, mitigating issues on behalf of the child and youth. That is what we set out to do."

If the government wanted to achieve this, it would have incorporated the actual feedback it received, and would have put some teeth into the legislation. As it stands, there are no provisions in the *Child and Youth Advocate Act* that allow the advocate to mitigate anything. The advocate's role, as defined by this legislation, is little more than a glorified babysitter. It's the government's interests that are being served here, not the interests of the child.

Mr. Speaker, the Official Opposition brought forward an amendment last week that would have addressed this fundamental flaw. It was supported by the third party and the Independent member. Why did the government not give due consideration to the legislative improvements that were brought forward? Why didn't the government debate the proposed amendment?

Hon. Mr. Hart: Mr. Speaker, the act clearly lays out the advocacy role of the child and youth advocate. We've used language from the B.C. legislation to describe the advocacy

functions. "Advocacy" is a word that has a lot of different meanings to people.

The act goes into some detail to describe the functions of the advocate to support, assist, inform and advise children and youth. This role is further defined in the act as promoting the rights and interests of child and youth. Clearly this is an advocacy function.

Mr. Mitchell: Mr. Speaker, in section 3 of the *Child and Youth Advocate Act*, under guiding principles, the last paragraph speaks directly to the major flaw of this legislation. It states: "a child-centred or youth-centred approach focuses on the interests, needs and rights of the child or youth..."

This is supposed to be a guiding principle of this law. The legislation was supposed to empower the advocate to act in the best interest of the child. This legislation doesn't do that. This legislation empowers the advocate to act only if directed by the minister. If the minister's goal was to concentrate on the child, mitigating issues on behalf of the child or youth, then the minister completely failed to achieve that goal.

According to the act, the advocate can "support, assist, inform and advise..." but nowhere in the act does it allow the advocate to actually advocate on a child's behalf.

Why does the advocate need the minister's permission to act on a child's behalf?

Hon. Mr. Hart: Maybe the member opposite should just review the act a little bit and check it over. The advocate has sufficient powers to look into the facts and matters and to obtain all the relevant information necessary to assist the child and youth. The advocate will be able to compel the government to disclose the necessary information — again, one of the issues that we garnered from other jurisdictions that was indicated to us as something we should put into the act because it is an important element.

The power to compel information is to put authority — often referred to by many people as the word "investigate". They have the ability to compel the government to provide the information and they are also covered by the ATIPP process.

Question re: Yukon Housing Corporation programs

Mr. McRobb: I have more questions on the mixed messages this government is sending regarding funding for home ownership and construction finance mortgage programs.

First the Premier stated last November 5, and I quote: "We will honour all applications to date and there will be more to come in the new fiscal year."

Then yesterday the minister said, and I quote: "The program has been oversubscribed. It is, however, available and utilized up to that amount, and we do continue to look at other ways to expand that mortgage program."

The Yukon Housing Corporation has recently told applicants there is no money to fund the program and here we are barely into May. Can the minister explain why Yukoners were told more money would be available in the new fiscal year only to now be told, "Sorry, there is no money"?

Hon. Mr. Kenyon: The member opposite seems to be confusing his fiscal years, but given the amount of attention that the opposition has given to addressing and debating the budget, that's not a particular surprise.

The Yukon Housing Corporation's home repair programs assist the greatest number of Yukoners by providing funding to upgrade or renovate homes and make them more energy efficient. The Yukon Housing Corporation's home ownership and construction financing mortgage programs are also very popular and so much so that the demand for the loans has already exceeded our budget. As a result, the programs are now fully committed.

The money that we have put into these programs is in the tens of millions of dollars. If the member opposite is suggesting that we should be diverting money from other programs into mortgage programs, then I kind of wish he'd give us some suggestions of what we should cut — education, health? What programs would he suggest we take that money from?

Mr. McRobb: Well, how about the \$150-million surplus? Now, the minister is talking about a different program — apples to oranges. Obviously, the minister doesn't know the difference between a home improvement loan and a loan to buy a home. Perhaps the minister was too busy sightseeing at the Great Wall or writing more letters of resignation.

Speaker's statement

Speaker: Order please. Does the Hon. Member for Kluane not think he's personalizing debate today with those kinds of comments? Obviously, the member is self-correcting. He has the floor.

Mr. McRobb: Now, during the budget briefing provided by the Yukon Housing Corporation, the question was asked if there would be any cuts to existing funding programs. We were assured that the only changes would be to set the interest rates back to historical rates. In other words, the programs would continue and Yukoners would continue to have access to home ownership and construction financing going forward, with the only change being a higher interest rate. Can the minister tell us why these program funds are not available for this year?

Hon. Mr. Kenyon: The member opposite again suggests that any budget item be an unlimited — I was going to say "trough," but probably an unlimited hole, where we simply keep pulling the money out.

Now, the member opposite and the Official Opposition have been critical of having surpluses that are utilized in these tough economic times to stimulate the economy, et cetera. Now, he's coming back and saying, "No, we shouldn't do that. We should just spend it all."

I ask again: what areas would he want us to take that money from? Let's debate those particular programs — compare apples and oranges and, I would suggest, turnips.

Mr. McRobb: Mr. Speaker, I didn't just fall off the turnip truck and neither did all of these people who are expecting mortgages from this minister.

Now, the budget was supposed to be about stimulating the economy; instead, it is stimulating anger and frustration in Yukoners who are unable to access these funds. Yukoners are getting the runaround. They were told last year that the fund was tapped out but not to worry, more funds would be available in the new fiscal year. What the Yukon Party didn't say was

that funding levels would suffice for only three weeks. This money is urgently needed, as evidenced by the number of applications received. It's up to the Yukon Housing Corporation minister to ensure that the promises aren't just empty rhetoric. That's not happening and the public deserves to know why. When will the minister allocate more funding so that people can access these funds as promised?

Hon. Mr. Kenyon: Mr. Speaker, I'm glad the member opposite refers to his turnip truck.

Again, for the member opposite, obviously he has no concept of what's called special warrants or what's called the supplementary budget that we'll be debating later this afternoon. He has no concept of the large sums of money that we have put into this program. He has no concept of keeping a reserve in order to deal with the economy and deal with how the economic downturn has affected the Yukon. With warrants and everything else, I look forward to his comments later today, because obviously he'll have no concept of any of that either.

I think the public is likely to get confused by comments that are simply wrong. The money has been there. The budget is tapped out. We have more money available in the future that will come up as we move along, but at the moment the program is tapped out. That is excellent news, Mr. Speaker, excellent news.

Unparliamentary language

Speaker: Before the time for Question Period is elapsed, as the Chair I have very rarely done this, but there is a term the Hon. Leader of the Official Opposition used and that was "railroaded". I have had a chance to think about this since he made that statement and when there are more members on the government side than on the opposition side — that is democracy. When there are more votes on one side than there are on the other — that is democracy. So the term "railroading" in reference to democracy is not appropriate for this House. My apologies for not making that ruling sooner, but the Chair feels that it is very inappropriate terminology for democracy.

The time for Question Period has now elapsed.

Notice of opposition private members' business

Mr. Cardiff: Mr. Speaker, pursuant to Standing Order 14.2(3), the third party will not be identifying any items standing in the name of the third party for debate on Wednesday, May 6, in order to expedite debate on the budget.

Mr. McRobb: Pursuant to Standing Order 14.2(3), I would like to identify the item standing in the name of the Official Opposition to be called on Wednesday, May 6, 2009. It is Motion No. 786, standing in the name of the Member for beautiful Kluane.

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

ORDERS OF THE DAY

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair (Mr. Nordick): Order please. Committee of the Whole will now come to order. Before we proceed, the Chair of Committee of the Whole would like to make a statement.

Chair's ruling

Chair: Yesterday in Committee of the Whole, during debate on Bill No. 15, *First Appropriation Act, 2009-10*, Department of Energy, Mines and Resources, Mr. McRobb took exception to the characterization of his position by Mr. Cathers. Mr. McRobb remarked, "Nothing could be further from the truth."

Mr. Cathers rose on a point of order, stating that this phrase contravened Standing Order 19(h).

The Chair undertook to report back to the House if there was a point of order. Upon review, I do find there to be a point of order.

While I understand that Mr. McRobb's intention was not to suggest another member deliberately misled the Committee, the terminology that he used has frequently been ruled out of order in this context.

I would ask the member to refrain from using this expression in reference to any member's remarks in the future.

I thank members for assistance in this matter.

Committee of the Whole will now proceed with Bill No. 15, *First Appropriation Act, 2009-10*, Department of Energy, Mines and Resources. Do members wish a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 15 — *First Appropriation Act, 2009-10* — continued

Department of Energy, Mines and Resources — *continued*

Chair: The matter before the Committee is Bill No. 15, *First Appropriation Act, 2009-10*, Department of Energy, Mines and Resources.

Disturbance caused by presence of stranger in the Gallery

Chair: Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 15, *First Appropriation Act, 2009-10*, Department of Energy, Mines and Resources.

Mr. Cathers, you have approximately 10 minutes.

Hon. Mr. Cathers: Thank you, Mr. Chair. It's a pleasure to resume debate again today, once again recapping a few things and then moving to some new areas within Energy, Mines and Resources.

I want to again note that the Department of Energy, Mines and Resources, of course, has a broad mandate in supporting a prosperous, diversified economy that benefits all Yukoners, and that includes dealing with some very challenging objectives: responsibly managing the Yukon's natural resources; ensuring integrated resource land use; promoting investment in and responsible development of Yukon's mineral, energy, forestry, agricultural land resources; and providing strategic leadership for natural resource policy and planning.

Again, I want to thank the staff of Energy, Mines and Resources. It has been a pleasure, since being appointed as minister responsible in July of last year, to work with them and deal with both the challenging issues and the opportunities that are available to Energy, Mines and Resources on behalf of Yukon citizens in creating further opportunities for the growth of the Yukon as a territory, for a strengthened economy, for continued encouragement of investment, for helping Yukoners through client service in areas including the land and agriculture branches, and through geological surveys, through the support that is provided to Yukon exploration companies, and to Yukon citizens engaged in the mineral sector, to name but a few.

The work that is done within the department in terms of focusing on client services is certainly something that I appreciate and I think that, considering the comments we hear from Yukon citizens, the improvements that have been made in the levels of service since the Yukon took over some of these areas of jurisdiction from the federal government in 2003, have improved what Yukoners deal with in trying to access services and move forward projects, et cetera.

The ability, the jurisdiction the Yukon government now has to provide local decisions — decisions that reflect the Yukon — and client service are very important and have been very valuable in increasing the investment in the Yukon. Mining exploration, due in part to the hard work of staff in client service, has increased from a level under the previous Liberal government of less than \$7 million per year to in excess of \$100 million for the last two seasons. That, of course, is due in part to the decisions made at the elected level and in part due to the very hard work, on a daily basis, that staff of Energy, Mines and Resources and other departments have put in to assisting Yukoners in moving forward those projects and providing a clear set of rules in advancing these projects or applications.

That determination to deliver high-quality programs and services to Yukoners is important and that sense of purpose and commitment is very important as well to Energy, Mines and Resources in attracting and retaining the very good staff that we have within the department.

The work with other government departments, stakeholders, communities and interests of department staff have been noticed, not only here, but outside the Yukon's borders. The feedback that I heard at a number of conferences — including the AME Roundup, the mining exploration roundup in Vancouver in January of this year, and at energy and mines

ministers' meetings and at the Prospectors and Developers Association of Canada conference — the feedback from both existing and potential investors and from other governments about the fact that the Yukon is seen as being “open for business”, as making every effort to have a clear set of rules in place, having strong standards around environmental protection and processes but making every effort at the staff level to help companies understand the rules — all of these are key factors in attracting that investment and improving the quality of life for all Yukon citizens through increased economic activity and increased opportunity for Yukon citizens.

In the mining area — 2008 saw several significant new discoveries, including a significant new gold discovery made by Underworld Resources at the White Gold property south of Dawson City and, in southeast Yukon, Overland Resources discovered a new lead-zinc zone called Darcy about a half kilometre from its existing Andrew zinc deposit near Dragon Lake. Another example, Full Metal Minerals announced very encouraging results from their Angie-Cat project near Ross River and from the Nadaleen project in the Mayo mining district.

These are a few examples, including the operating mine at Minto, formerly known as Sherwood, now known as Capstone. These are but a few of the examples of the existing opportunities for Yukoners being employed in this area and the opportunities that are being developed, certainly when one compares the Yukon's success in the exploration sector. In recent years it is a very strong indicator of the strong potential that exists for the Yukon in ensuring that the resource sector remains an important component of our economy.

In recognition of the fact that, in this year, the challenging world economic conditions do create for exploration companies increasing difficulty in accessing capital. As I mentioned earlier, we increased the Yukon mining incentive program, which has been very successful, leading to 20 significant discoveries since its inception — or in excess of 20, I should say. That program has been very effective. We increased its funding level from its previous level of \$700,000 per year to a new level of \$1.8 million.

This builds on other areas, including the amendments to the *Quartz Mining Act* and the new regulations under the *Quartz Mining Act*, as well, that were put into place effective April 1 of this year to reduce some of the administrative burdens as well as making the royalty rate competitive with the rest of the country — moving past the antiquated structure, which previously created a royalty rate that would escalate by one percentage point for every \$5 million of defined profit. Thus, for a large mine, it would be in excess of 100 percent. That was language that was written back in — I believe it was the 1920s in that case — through the process that I've discussed earlier in this House, and I won't reiterate for members here today.

The Yukon, in working with stakeholders and in seeking input on this, brought forward amendments to ensure that while our royalty rate is not the lowest in the country, it is now competitive and is now clear, which it was not before.

The regulations under the act and the proclamation of those amendments of the act include reducing administrative burdens, such as the previous requirement for a quartz mining claim to have four-by-four milled posts for each corner of the claim, which has now been replaced by the new requirement for milled two-by-twos, which would be an inch and a half-by-an inch and a half.

The previous requirement to stake a claim then come in and get claim tags when you filed the claim, and then go back into the field and put the tags on the post, has been removed. It is much more environmentally friendly to reduce the carbon footprint and reduce the costs of companies, so they now no longer have to go through the full process. They can acquire the tags, go out and stake the claim, then simply register the claim, either in person or through mail, electronically, et cetera.

I believe I'm running short of time here. These are but a few of the examples. Other areas include the move of the land planning branch from Community Services to the Department of Energy, Mines and Resources — part of streamlining land management services. All land management services for outside of municipal boundaries are now housed within the Department of Energy, Mines and Resources. They are located in the same office space on the third floor of the Elijah Smith Building. Together, those are the lands branch, the land planning branch and the agriculture branch, which now share the same space, making it easier for staff to work together and making it easier for the public to access services in a timely manner and know where they're going to receive that information.

Other areas, in the limited time I have left, include the initiatives that we have this year, such as the agreement signed with the federal government for agriculture, Growing Forward, which will provide the Yukon with increased federal resources and investment on an annual basis, a significantly increased federal contribution and significantly increased Yukon contribution to agriculture, which comprise some \$987,000 per year in investment in the agriculture sector.

Mr. Chair, I believe that I have virtually run out of time, so with that, I look forward to further debate with the members opposite.

Mr. McRobb: Well, for the record, that's the fourth time in the past 23 hours that the minister has spoken for 20 minutes. And, Mr. Chair, the question was very simple. Instead of responding to the question, we hear a long, 20-minute speech from the minister, going into minutiae as detailed as talking about how the two-by-two staking posts have changed in size and so on.

I would suggest the minister may want to enroll in some effective speaking course or something to that effect.

Chair's statement

Chair: The Chair was hoping we would start this day off on a better note than yesterday in regard to personalizing debate. Mr. McRobb, that kind of statement is definitely a personal comment and I would prefer you not to do that.

Mr. McRobb: Thank you, Mr. Chair. Well, there is no need for 20-minute speeches when the questions asked are con-

cise. I think what Yukoners deserve and would appreciate are more succinct answers that pertain to the question asked. This is Committee of the Whole, where there's supposed to be a higher degree of cooperation among members to get through the budget. You will recall the Premier's declaration that his members would proceed expeditiously through the budget. But, four times now, the minister stood up and used 20 minutes to talk. Well, Mr. Chair, in six more days of House time, this sitting will come to an end and it's quite probable that not all of the budget will be debated and there will be finger pointing by all sides, I'm sure.

You know, Mr. Chair, it's instances like this that are the real cause.

I want to ask the minister about mining exploration dollars for the summer. We've heard some estimates from the Chamber of Mines. What is the forecast from the minister's department?

Hon. Mr. Cathers: There are a range of projections, depending on who is making them, on what mining exploration will be. We do not know frankly until companies announce those decisions what the exploration dollars will be for this summer. Also, there is the potential when companies make those announcements that there might be some change throughout the exploration season. So at this point in time, we'll leave it to the Chamber of Commerce and other qualified groups to make projections.

We have some information that suggests that certainly things will be lower. We know that the challenges around accessing dollars for exploration — particularly early-stage exploration — pose a challenge for those companies. That is why, as I've mentioned, the increase to the Yukon mining incentive program — the \$1.1 million increase above previous levels for the one-time annual funding — is one of the strategies we're using to encourage continued exploration spending.

The fast-tracking of changes to the *Quartz Mining Act*, when it became clear last year that there would be some economic downturn — certainly, few predicted the economic downturn we have here now; it was not predicted to that extent by most agencies, governments, et cetera, last year. But we did recognize that it was on the way prior to when it hit last fall. These are but some of the steps we've taken.

As I mentioned, the changes to the *Quartz Mining Act* are aimed at modernizing the act and making it more appropriate and reflective of today's situations, but also they do have significant benefit to those companies because they have reduced some of the unnecessary exploration costs, such as the cost of posts that the Member for Kluane made light of.

But I would point out to the member that if you're helicoptering in posts to a remote mining site, the difference between an inch and a half-by-inch and a half post and one that is actually four inches-by-four inches is very significant in the number of posts that have to be hauled and the number of trips that have to be made to haul those posts. So, again, the member made light of that, but it is a significant cost-saving for Yukon exploration companies and companies investing in the Yukon.

We don't know, as I noted, how mineral exploration will be affected by the current world economic downturn. We know

that we have some positive signs, including the continued work that's being done at Minto by Capstone. We know that their drill results and recent programs have been very positive and give some indication that they may even be able to expand their operations. We know of other very successful results, including some of the ones I mentioned earlier, that companies are very optimistic about, and some of them will be doing significant work this year that may lead to expanded exploration programs in the next fiscal year as well, if all goes well, and of course subject to the vagaries of the world economic conditions and markets.

But I point out that, particularly in areas such as gold, for example, the strong mineral prices in some of those areas, in fact, make some projects even more attractive. We are cautiously optimistic that for placer mining, it may even be a better year for that industry than in previous years, due to the increase in the price of gold and the reduction in the cost of fuel — being the two biggest factors in whether they have a successful season, the price of gold determining the revenue and the price of fuel being their major cost. So again, there are some signs of optimism.

The work of Yukon Zinc in building the mine is one of the few in the world that is in fact moving forward in this current economic situation. Their indication that they intend to invest \$240 million between this summer and next summer in mine development is certainly an increase on the mine development side. We hope that work and the work that Alexco Resource Corp is proposing to do — the work that they are doing and the work that they are seeking approval to do at their Bellekeno project — are some of the ways that a downturn in exploration may in fact be offset.

At this point, as the member should be well aware, the game as far as market conditions — and that includes exploration — is a bit of a guessing game. The best financial minds, analysts and predictors in the world have not been that accurate. In this current economic situation, we do have to play a bit of a wait-and-see game while doing our level best. I have indicated and given examples of how we have done just that to reduce and mitigate the reduction in mining exploration and in other areas. Of course, the record budget of \$1.3 billion continued investment in money areas — the Yukon is important.

The resource access program, again, is another area that is important in improving access to these properties through providing money to upgrade existing public roads. I note that is an additional program that does diminish from the existing rural road upgrade program. Rather than having potential monies depleted from that area for mining projects, we have created — as I believe we should have done — a separate fund which provides half a million dollars per year committed over a four-year period beginning this past fiscal year.

Mr. Chair, these are but a few of the examples. I know that the member would like an answer to his question in terms of a prediction on mining exploration. I really cannot give an accurate one, beyond noting that as he has heard there have been some estimates around the \$30-million mark. I would point out that is still significantly up from what it was at under the former Liberal government when it was below \$7 million. At this

point in time we are, again, in a situation because of the vagaries of the market, where we cannot give an accurate prediction. I don't believe frankly that anyone else can either.

Mr. McRobb: The minister mentioned a range — if he could provide for us the numbers within that range, it would be appreciated.

He also mentioned placer mining. Now we've heard reports from several placer miners so far, Mr. Chair, and I use the qualifier "so far", because we expect to hear from more as they return to the territory to resume their placer mining operations. All one has to do is look at the streets of Whitehorse and you will see quite a few of them have returned and are gearing up to return to their properties. We've heard concerns from quite a few about problems accessing their properties due to the high snowpack and the sudden melt that has been experienced in the past couple of weeks — for instance, washouts and flooding. Has the minister heard similar concerns, and what is this government doing to ensure that the placer miners can access their properties?

Hon. Mr. Cathers: Mr. Chair, I know that the Minister of Highways and Public Works is well aware of that. I know that the minister and department staff have in fact increased the work in recent years in terms of opening up these areas early, plowing roads earlier than previously was done to access some of the key mining districts. Again I mention to the member, that for roadwork and maintenance — the resource transportation access program is a good example of this — the date of plowing of government roads, again, I know that the minister is well aware of that. I would encourage him to raise his questions with the Minister of Highways and Public Works in that debate. I can tell him that they are aware of that issue.

As the member should be aware, they are dealing right now with a number of challenges across the territory due to the high snowpack and the very quick snowmelt. Some of those challenges — the member would know if he is following the media — have created some problems around some of the main highways even. I know that they're busy dealing with that, but as far as a detailed response to this, I would encourage the member to ask the Minister of Highways and Public Works in debate. But the simple answer to his question is, yes, we've certainly heard that is a challenge and one need only look Outside or drive down the highway to see the examples of this and the fact that in much of the Yukon, the high snowpack has melted quite quickly after staying much longer than it typically does.

Mr. McRobb: Before moving off the placer mining issue, I would like to wish all those involved in the industry a prosperous year ahead.

On a similar note, Mr. Chair, as we know the hearings before the Yukon Utilities Board start tomorrow and I would like to wish all participants in those proceedings the best of luck in the days and months ahead. It has been a long, quite involved process to date, and generally Yukoners aren't aware of just how involved that process is. Generally, people involved will work, at minimum, 12 hours a day, perhaps seven days a week, for several months on end, reviewing the application, and for the people involved in the utility, writing the application, the

questions and answers, and the proceedings, arguments and so on.

I want to ask about the Yukon Zinc property, the Wolverine project. In particular, there was a bit of bad news last week when Hunan Non-ferrous Metals Corporation Ltd. reported a net loss of more than \$108 million for 2008. This is quite a reversal from its net profit of more than \$46 million in 2007, and I'm wondering if the minister is aware of any impact this might have on the development of the property, the timeline or anything. Is there any expected impact?

Hon. Mr. Cathers: At this point in time, we have not heard any indication from Yukon Zinc that they will be adjusting their plans at that project. The indication they've given us is that they're still proceeding forward in the development of the project with, as I indicated, approximately \$240 million that they've indicated they intend to spend between this fiscal year and next fiscal year, with roughly \$180 million of that in 2009.

As far as their apparent company or shareholder — whatever the proper term is; guess "shareholder" would be the more proper term in this context — that is an issue that, of course, many companies, even those that are comparatively fairly profitable, have seen some losses due to changes in the markets, et cetera. I really can't comment as to the cause of their particular situation, but the simple answer to the member's question is that: no, we have not heard any indication that they intend to adjust their development plans, and we certainly hope they will not be forced to do so.

Mr. McRobb: I only have a few questions left, just so the third party is aware that they'll have an opportunity shortly.

Let's go to the McIntyre Creek park issue. Previously, the minister indicated he was working with the City of Whitehorse on this matter. Can he give us a progress report?

Hon. Mr. Cathers: I think the member is confused in what he is referring to. It has been pointed out by a number of members on this side the fact that, with regard to McIntyre Creek and proposed areas and those who have proposed parks, protected areas, et cetera, that the city, through their official community plan process, does have jurisdiction in this area.

We do have obligations under the *Municipal Act* to allow municipalities to proceed with planning processes and in particular, the City of Whitehorse with their official community plan process has done extensive work. They are still doing work. We will allow them to do that and we will, as we're obligated to, receive their end of that process. There is some role in the submission to the Yukon government in discussion with regard to their proposed plan, but they certainly do have the lead in that process and we will allow them to fulfill their legally mandated responsibility. If the member has any question pertaining to that, I would encourage him to direct it to Whitehorse City Council.

Mr. McRobb: All right.

There has been some discussion on the mining claims within the proposed boundary area. If the city does go toward a park, this might involve the Yukon government settling those claims. What is the minister's plan with respect to that?

Hon. Mr. Cathers: Unlike the former Liberal government, we don't have a policy for compensating miners

whose claims have been expropriated because we're not in the business of expropriating claims. However, that being said, I would point out to the member that, as I have mentioned to members in the past on many occasions in this House, there are examples of where within municipalities because of zoning rules, restrictions on development, et cetera, miners may have the claims but there may be restrictions on what activities can take place.

An example that I have mentioned before and would mention again to members is the fairly public and publicized example a few years ago by the corner of the Mayo Road and the Alaska Highway — or more properly called, for those in the official naming department, the north Klondike Highway and the Alaska Highway. At the corner there is a mining claim that had been there for some time. There was a trailer put up. There was activity continuing and ultimately it was determined that, under the city's zoning, the activities that they were proceeding with were not permitted.

The mining claim itself was in existence and had been in existence for some time. But the city does have the ability to make changes through its official community plan related to titled property and related to development work on claims and other areas there. But the member is posing hypothetical questions.

I would point out that in terms of working, our obligation is to work with land holders and to work with the City of Whitehorse, of course. In the issue of claims, I would remind the member that what he is in fact referring to in some of these areas are in fact Crown grants that pre-date existing structures by quite some time. It's not as simple as the member may think it is.

The long and the short of it is that the city has the lead in the OCP planning process and the city will do its work. We will consider any recommendations or determinations the city makes that have impacts on Yukon government policy and obligations. And with regard to issues of potential conflict of existing land users, holders and claim holders, where it falls within the jurisdiction of the Yukon government we will, as we always do, make every effort to work with those who are in issues of conflict to help them, where possible, reach a mutually acceptable outcome.

But first and foremost, of course, we are bound by the laws and we must live within the regulatory process and within the legal framework that's provided for.

Mr. McRobb: In general, does the minister have any plan with respect to resolving issues relating to staking within the boundaries of the City of Whitehorse?

Hon. Mr. Cathers: Mr. Chair, I've answered that question a number of times in the House. The answer is still the same. The members may be proposing banning it, but we're not going to get into that business. The city does have jurisdiction over development activities which include titled land and activities that might proceed under a mineral claim. The city has made the determination in fact in some areas that certain activities could proceed. That again is city jurisdiction.

Mr. McRobb: For the record, I made no such suggestion. The Peel Watershed Planning Commission has released its

draft plan and many Yukoners would like to know what the Yukon government's position is regarding the moratorium on mineral staking in that area. Can the minister enlighten us?

Hon. Mr. Cathers: Mr. Chair, it's unfortunate that the Member for Kluane didn't listen to his own leader on CHON FM on "Voice of the Opposition", when his leader, for a change, was, in fact, quite right on that issue in noting that the process was underway, that the commission is in fact conducting that process and that it's not the appropriate time for politicians to be, as I believe he said — I'm quoting from my recollection of the transcript — that politicians shouldn't be interfering at this stage.

So again, I'd encourage the Member for Kluane to have a chat with his leader about this process. With regard to the Peel Watershed Planning Commission and the draft plan, again, the plan is done through extensive work done by the commission. It is the commission's document. They are right now in a stage that seeks public input on that plan, and we strongly encourage all Yukoners to provide their input on the draft Peel watershed land use plan. We recognize that many Yukoners have already done so and we hope that many more do so in the future.

Mr. McRobb: All right, Mr. Chair. That concludes my questions at this time. I'll give the third party an opportunity.

Mr. Cardiff: It is nice to be able to enter the debate, and I would like to thank the officials who provided a briefing to our staff when that was made available. I would thank the officials for attending today.

This is an extremely large portion of the budget. It is fairly substantial. It is not the largest by any stretch, but it is still a lot of money. We have a few questions.

The O&M is \$53 million and the capital is just over \$5 million. The greatest amount of money and the biggest increase in spending is for the type 2 mine sites. A lot of work needs to go on, and I thank the minister for providing the information yesterday and the funding arrangement for 2008-09 for the type 2 mine sites. This year we have a substantial increase. I believe it's around \$23 million for type 2 mine sites.

When the Premier gave his budget speech, he talked about this being a "stimulus budget". In a stimulus budget, you would think that the government would have some job creation targets and some numbers. I'd like the minister to tell us how many jobs — in terms of FTEs or indirectly, in terms of estimates on the uptake on these projects — will be created through the increase in this budget of the department? How much employment do they expect to create?

Hon. Mr. Cathers: Unfortunately, I do apologize to the member opposite. I don't have the exact numbers he's looking for. I can tell him what they were for last year, but some of the work — particularly because of the changeover in Faro through the process of moving to Denison as the new contractor for the closure plan through the tendering process et cetera, an agreed-upon plan — some of that is directly through the companies that are contracted, so we don't really control the numbers.

I can look into that. I am sure we do have some information to predict what we think it is going to be. I don't have that information here today. I will have to undertake to get back to

the member opposite with that. I can tell the Member for Mount Lorne, that in 2008-09, Faro had 55 people working, Mount Nansen had 25, and Clinton Creek had five. I will have to undertake to look into the matter for the Member for Mount Lorne and get back to him with those numbers. As I mentioned, the fact that is contracts that are let, to some extent we don't directly control that employment. I am sure we do have some information that we can relay to the member, but I will have to ask him to allow me to look into that and reply to him later through letter, which I will do.

Mr. Cardiff: I look forward to that. The minister provided the numbers of people who were employed. I would be interested in knowing. Those numbers are helpful, for sure. I look forward to receiving the new numbers as well. "FTEs" may not have been the appropriate terminology to use, but maybe "person years of employment" would be more what I'm looking for.

It's good to know how many people were employed and it would also be good to know what the person years of employment were. I was going to ask a question about free-entry staking but I think the minister already answered that question in his previous answers to the Member for Kluane, so we'll leave that one for a future date.

Actually, the minister did make a comment about free-entry staking in a question earlier though. What he said was, and I believe — I don't know if we have the date, this was a couple of weeks ago when he was answering a question from my colleague and what he said was that the issue of free-entry staking could be looked at, at some point in the future; that at some point in time, there would be a more comprehensive review of successor resource legislation, including the *Quartz Mining Act*.

Can the minister tell us if there is a schedule for a more comprehensive review of that legislation?

We reviewed the royalty structure, and the issue of free-entry staking is going to remain an issue, probably for a long time to come. I think that society's attitudes are changing about property rights, so I'd be interested in knowing if the minister has a time frame for a more comprehensive review of the *Quartz Mining Act*.

Hon. Mr. Cathers: In follow-up to the member's previous question, I can provide him with a little more information about the type 2 sites and assessment of abandoned mines. Again, it's not quite the information that the member wants or, as I indicated, that I will provide to the member later. For assessment of abandoned mines, in terms of the direct employment from the Yukon government, there are 15 FTEs employed in that area directly, three of which are Yukon government-funded and the other 12 are covered by recoveries from Canada.

But again, the bulk of the work in that area, that \$23,485,000 — most of that does go to these contracts with the contractors I mentioned in that area.

Moving on, then, to the member's recent question, as far as the *Quartz Mining Act* — again, just to briefly recap on our discussions back in the fall when the *Quartz Mining Act* was amended — I know the member asked some questions, and I'll

just refresh his memory on that. As I indicated at that time, the scope of the changes to the *Quartz Mining Act* was deliberately chosen because there was a feeling that there were some amendments that could and should be made to the *Quartz Mining Act* in a very timely manner, because of, in part, the world economic conditions that were coming down the pipe — obviously, the coming recession and the need to remain competitive, coupled with the fact that some of the Yukon's mining projects that are in process right now, because of the royalty rate not being capped, if all goes well, will come into development and some of the larger ones would have been getting high enough in terms of the royalty rate that it would not have been economical for them to proceed with the projects.

So it was potentially impacting a production decision if we were not to proceed as we did to make the royalty rate competitive with other jurisdictions, cap it at 12 percent rather than having it at that previous antiquated level where it would go up by one percentage point for every \$5 million of profit. Again, profit is determined by the act, which includes some things that would not be encompassed under corporate income tax, meaning they can't write off as much under the act, in determining their profit calculation, as they would be under their income tax.

I'll just briefly touch on that. I can go into that in more detail if the member would like me to, but I think I did address most of that in *Hansard* back in the fall. So in the interest of not using up too much time in the House and explaining things again — unless the member wishes — I will simply leave it at that, noting that was the reason why those areas were expedited quickly: we felt in the administrative area that those would benefit costs and, in fact, reduce carbon emissions, as I mentioned before, with staking activities. It was necessary for the royalty rate to be clear and competitive because we were potentially going to delay pending production decisions of companies that might — with a competitive royalty rate — submit those investments, but with a royalty rate that could climb in excess of 100 percent, they would potentially simply not make those investments in the Yukon.

That was what drove the feeling that there was a need to move in a very expeditious manner on those amendments — the QMA. Because of the issues that have been brought up by others who have questions about other areas of the act, it was determined that we had to focus on two very tight areas of the act that would be minor in nature and somewhat administrative. Getting into broader things that would affect the regime itself, as it is referred, would trigger the requirements to engage in a successor resource legislation working group process, which is a very important process — a very important commitment under devolution — but it is also very lengthy as I remind the member.

The first piece of legislation to emerge from that process was the *Forest Resources Act*. That was the very first piece of legislation to be developed through the successor resources legislation working group process. As the member will understand that even with the time involved, there were still some people who felt it was a tremendous step forward and there were those who did have concerns with the process. That in

itself is a very time-consuming process. If we had engaged in successor resources legislation group process around the *Quartz Mining Act*, it would certainly be still underway right now. It might have extended well into the future and we felt we needed to move very quickly in that area.

The simple answer to the member's question about if there is a schedule for it: no, there isn't at this point in time. We are completing and concluding the work right now under the *Forest Resources Act*, including work this year on public consultation around regulations, et cetera. Discussions are underway with First Nations about other pieces of legislation brought over from the federal government through what was referred to as mirror legislation — of course in the legislation we were required to mirror the federal legislation in that process. That includes the *Quartz Mining Act* and other pieces of legislation. I can't name all of them off the top of my head, so I won't get halfway through the list. The pieces of legislation that were passed, most would have been in the spring 2003 sitting of the Legislative Assembly, if the member wishes to check that in advance of the April 1, 2003, devolution effectiveness date, when the jurisdiction was transferred to the Yukon government.

That legislation — there is the commitment and the expectation in the devolution transfer agreement that it will all be reviewed at some point through the successor resource legislation working group process.

The simple answer to the member's question is, no, there isn't a schedule, but we are talking with First Nations about what might be reviewed next, but no determination has been made in that regard. That's basically the answer to that question. I hope that has responded to his concerns.

Mr. Cardiff: Well, it was a long answer; I'll give it that. I'll take the minister's answer for what he said, and we will hopefully have the opportunity to review some of those other issues and have a more comprehensive review of the *Quartz Mining Act* at some point in the near future, I hope, and that they do the work.

I'd like to ask the minister another question that basically comes out of his answers on the same day a couple of weeks ago, where he referenced the fact that the cap on resource revenues is \$3 million. It was negotiated under the devolution transfer agreement. I recognize that devolution transfer agreements probably aren't the minister's bailiwick probably but with regard to resource revenues, I'm sure that he has an interest. He should have an interest and an awareness of what's going on in this area, so I'm wondering if he's aware of any negotiations to remove that cap or to raise that cap that may be ongoing or slated for the future.

Hon. Mr. Cathers: Mr. Chair, at this point nothing formal has been commenced to the best of my understanding with regard to the resource revenue cap. The issue is certainly one that we're aware of and has come up in discussion with the federal government that, once the review clause in the devolution transfer agreement and the negotiations under that are formally in process, that's an issue that we would be raising. At this point, to the best of my understanding though, as the member notes, it's not within my department. I don't believe any-

thing formal has commenced but I agree with the member on this issue. As we've noted in the past, it was an issue. We were critical of the formal Liberal government for not negotiating a higher resource revenue cap in the devolution transfer agreement than \$3 million.

That being said, obviously we have what we have today. It is something that we would hope to get changed in the future. I concur with the member that it would be, in my view and I think in his, in the best interest of the Yukon to see Yukon citizens deriving a higher portion and benefit of resource revenues than the current maximum of \$3 million per year before we have to start sending the rest of it to the federal government.

Mr. Cardiff: I agree. I recognize that mining has been a cornerstone of the Yukon economy. It has also created some liabilities over the years — Faro being one of them — and we were just talking about the type 2 mine site cleanups.

There are a couple of questions in this area that I would like to ask the minister. They are all connected, I believe. I am just wondering — you know, when you look at whether or not the department — because it's my understanding that it's the department's responsibility to manage natural resources. I believe that it's their responsibility to do that in the best interests of Yukon people.

Whether it's a financial equation or a health equation — we talked about this the other day, as well — there are health factors, there are social factors, and there are economic factors, and they're all linked. Anything the government does needs to be filtered through those filters. I'm just wondering whether or not there has been a cost-benefit analysis of the mining activity in the territory. I'm not suggesting that we need to do this to make a case that we should get rid of mining. I think we need to make the case for what the advantages are to the exploration industry and the mining industry?

Where do they provide the best benefit? The department has to take into consideration all those factors: the environmental liabilities, how our communities are being affected, how the water is being affected, how the air is being affected and what those liabilities are with regard to cleanup. Because when we look at the Faro project, we're talking about \$450 million over the next 20 years, I believe it was, or 25 years. I don't have the figures right in front of me, but it's a cost to Canadian taxpayers and to Yukon taxpayers. Yes, there's a benefit in jobs in cleaning it all up, but if we hadn't made the mess in the first place, maybe we would be a lot better off.

So I'm wondering whether the minister or the department has done any cost-benefit analysis in that regard, whether they plan to, or whether the minister would consider doing some of that work.

Hon. Mr. Cathers: To answer the Member for Mount Lorne, the estimated closure cost of the Faro mine, of course, is \$450 million. Of course, the total liability is envisioned to go on for hundreds of years. I must say that I think the member and I are probably not as far apart on our view of this as he might think we are. I must say that when I first read the notes and the presentations on Faro — of course, I had heard some of it before, but in actually looking at the numbers and seeing the detailed reports, it's hard not to be astounded and somewhat

horrified that that level of environmental liability could exist and that it can't be cleaned up any quicker than the hundreds of years envisioned.

That being said, Faro today would not be mined the way it was then. The mining practices and the understanding of acid rock drainage that exist today did not exist at the start of the mining in that area and they did not understand what they were doing. There is a much better understanding today. If the deposit at Faro, a deposit of that size and type were to be discovered today, it would be mined quite differently than it is and it would not lead to that same type of environmental liability.

As far as the cost benefit — I know there have been assessments of benefits of the economic impact of mining; the Department of Economic Development has done some of those assessments. To my knowledge, there isn't any report available such as the member is referring to. I would, in fact, pose for the member's consideration my initial thoughts in response to that, that it would be hard to do a report on that and be sure to know what would be encompassed in such a report. Does one include the environmental liability of a place like the Faro deposit, recognizing that if the objective is to provide a context for future decisions, Faro would not be managed now in the way it was then?

What was done in the past could be compared to other antiquated activities that were done in the past, such as some of the fuel storage that apparently occurred during the building of the Alaska Highway and thereafter, where in some cases some of the fuel tanks, as I understand, didn't even really have bottoms to them, which led to a fuel leakage. At one time, in order to open Lake Laberge for the paddlewheelers, used oil was dumped on it to make it thaw more quickly. Those are just a few off the top of my head that have existed in the Yukon in the past.

But without belabouring that point too much, my point to the member is that I think comparing the costs from an antiquated practice that everyone realizes is antiquated might lead to an inaccurate conclusion, but the questions really, through the work that is done through the YESAA process — and there's fairly extensive work done by that process, particularly for an executive committee-level screening — that there's significant thought put into this.

The context of the Yukon's regulatory framework, including the framework approach that exists to a quartz mining licence, is aimed at ensuring that all steps are taken to prevent environmental liabilities such as Faro coming into being in the future. The requirement for security deposits and for security to be put up by a mining company is commensurate with how much existing liability exists on the ground as assessed by department officials.

I don't know if the member is aware of it or not, but one of the things in the current structure is that in bringing a mine into production, and being in production for every bit of expanded work on the ground and expanded potential liability, if the company were to go out of business, the company is required to put up more security. Also, if they do early remediation before the end of the mine and bring it back up to a standard that meets the requirements to remediate that area of the mine com-

plex, they can receive that amount for that portion of the area. They can receive their security deposit back. So it encourages companies not to wait until the end of the mine life to reclaim areas of the deposit that they're no longer using to a standard that meets the requirements within the regulatory framework.

So, significant work has gone on. I think what should be pointed out is that in the Yukon, assuming these responsibilities for mining — for managing mine projects — everyone within the Department of Energy, Mines and Resources and other involved departments such as Environment have a role in this or have provided input into the process and are very much aware of Faro.

They're very much aware of the other type 2 sites and this is their home too. I think it's fair to say that they care as much as the Member for Mount Lorne and I do about ensuring that the Yukon environment remains pristine, that ecosystems are not damaged and new environmental liabilities like Faro are not created and are not left for our children and grandchildren and their children to deal with.

So that is what the whole Yukon system is aimed at doing, which is providing a structure that encourages good behaviour by a mining company. And as I indicated, through that progressive regime — that ability to even get some of their security deposit back if they remediate an area — encourages that early closure and reclamation work. Without that type of progressive structure, there would be no reason to engage in those costs until the end of the mine. Of course, there is always the potential in those areas, such as with previous projects like in Faro, of course, and in that day and age there was no security deposit requirement. But through the progressive security requirement, rather than even leaving something potentially to the end of a mine's life, it really encourages that type of responsible behaviour.

They can get cash back that the Yukon government holds in trust lest we ever be faced with the need to clean up a mess or left with an incomplete project by a company ceasing operation or going bankrupt.

I hope that answers the member's question. I think the simple answer to his question is that I don't think there has been a detailed cost-benefit analysis. I think it would be much debated if one were to be done of whether it included everything it should or included things it shouldn't, but ultimately the objective for moving forward has been to ensure that no environmental liabilities are created and that every effort is taken to provide officials with the ability to manage a project and encourage appropriate, responsible corporate behavior.

Mr. Cardiff: Mr. Chair. I thank the minister for his answer. It's not the environmental liabilities that I was going after; it's the cost-benefit analysis of the industry. I don't know that we need to look at the historical stuff. We need to look at what the government spends on an annual basis.

We are talking about a \$53-million budget in the Department of Energy, Mines and Resources. There is a lot of money. The minister has referenced roads to resources. There is \$1.8 million for mineral incentives. It is a considerable amount of money. I would be interested and I will ask the minister a question about that a little bit later.

Government puts a lot of money into infrastructure, whether it is roads, whether it is monitoring environmental concerns, whether it is for other infrastructure such as bridges, power lines — it is all public infrastructure and an expenditure of public funds. There is \$58 million being spent in the Department of Energy, Mines and Resources. I am not saying it is all going into the mining industry. Sustainable resources — \$1.8 million, and that is basically forestry. Oil and gas and mineral resources — \$2.6 million in capital and \$34 million in O&M, and a large portion of that is the type 2 mine sites. Over half of it, or two-thirds of it, is the type 2 mine sites, but we invest a lot of money in infrastructure and government time to support the mining industry.

Mines bring jobs; there's no doubt about it. I've worked in mines. There is tax revenue. Sometimes there are royalties, and we've found out there's a cap on the royalties that come to the Yukon. But the purpose of a cost-benefit analysis — and I don't know, we can get a local economist or we can hire the Pembina Institute or — the Fraser Institute even weighed in on this one earlier this year. I think it was in February that the Fraser Institute issued their annual report, a mining survey, and they expected the numbers to be down this year, and I'll quote — I think the gentleman's name was Fred McMahon.

He said that while he believes that the downturn is going to hit frontier areas like the Yukon particularly hard, he believed that the Yukon should resist the urge to try to find a quick fix. What Mr. McMahon said, and I quote: "If you end up subsidizing people who are the most politically connected rather than those who can do the best job... and the last thing a mineral mining dependent area needs is politicization."

So we're talking about the mining incentive program — \$1.8 million. I'd be interested in knowing whether or not the government is interested in doing a couple of things. One, are they interested in doing a cost-benefit analysis? I'm not suggesting that we look at Faro; I'm suggesting that we look at projects that are underway now and what the potential costs will be to Yukon taxpayers for upgrading highways. We're spending millions of dollars upgrading the Robert Campbell Highway. That's a substantial investment by Yukon taxpayers. We support mineral exploration; we build power lines to help service mines. Should we be doing that? I think we should be doing it, but we should be doing it based on good information that comes from knowing what the benefits are going to be and how long it's going to take to pay back Yukoners for their investment. I'd be interested to know whether or not the minister would reconsider and whether or not they would look at doing some sort of a cost-benefit analysis on some of those projects. They're making these decisions based on something, so I'd be interested in that.

I brought up the \$1.8 million in the mining incentive program. I'd be interested to know if the minister could tell us what the uptake has been on the mining incentive program and how much activity is anticipated for this year.

Hon. Mr. Cathers: I thank the Member for Mount Lorne for clarifying what he meant by "cost-benefit analysis". I had initially responded to what I thought he was asking, but clearly he was asking a different question than I was answer-

ing. Now that he has clarified that — I think that some of the broader reports on economic impacts, economic benefits within the mining sector, impacts of investment, et cetera — Economic Development has done some work on that. Cost-benefit on specific programs, for example, with the Yukon mining incentive program — what I would note, first of all, in terms of actually determining what the impact would be without an investment can be debated and what factors led to a company making a decision to invest.

We know what has been approved through YMIP. I can tell the member what projects and the dollar values of that, we know have been leveraged as a result, but to make a categorical statement that an investment or exploration would or wouldn't have occurred — really, that is the type of thing that I think is pretty hard to ever be 100 percent sure on because, of course, the response from the mining industry has been very positive.

Again, we know the demonstrable benefit that has occurred. We know that YMIP has been responsible for 20 of the most promising discoveries that are out there right now. We know that over the past five years a total of \$3 million was provided to prospectors and junior mining companies, resulting in \$22 million in private sector expenditures during the two-year period immediately following receipt of the funds. That doesn't take into account the further working years, that some of the projects where work is occurring on right now had earlier stage YMIP funding and, once they were developed to a more promising, more identified stage, then further funding occurs. So we're missing some of the dollars in that area.

Basically though, Mr. Chair, in responding to that I can tell the member that those are the numbers we know. What we can say is this: \$3 million in government funding, \$22 million in private sector direct investment within a two-year period following the investment.

In terms of actually asking if a company would have done work or not done work without it, that becomes a harder thing to state definitively. We know the response; companies that have indicated that they would not have been able to do work without it, we know what they've told us, but I take the member's point that companies that are receiving support from this are going to be positive toward it if it makes it more economical for them.

So those are the numbers we can give; as far as we know, it is an effective investment. We know that it is effectively identifying deposits for future years and that some of the properties that may see further advanced stages of development work, based on the indication we've received from companies, were identified through YMIP, and we will be evaluating what comes through this year's programs in terms of number of applications and the dollars requested.

I don't have that figure right now. They have just been going through the assessment process; that's not quite completed now, but will be shortly — and I don't have the date, in answer to, I'm sure, the member's next question, off the top of my head, of when the announcements will be made of the funding under YMIP, but it's pending very shortly. That I can undertake to get back to the member on, as far as the date that we'll

be making those announcements, and also there'll be some public announcements about that at that point in time.

What else did the member ask? Roads — again, a difficult question. The member asks about roads and — I don't want the member to take the wrong message from this.

I'm not ruling out further work in this area. In fact, we will be doing investment-specific work; YMIP will be assessing what has come out as a result. But even if you contract some of the groups the member referred to, depending on their methodology — and we know and could debate the difference between the methodology of the Fraser Institute and the Pembina Institute, in that they calculate different factors, et cetera — there is no clear consensus on what should or should not be included in there. It depends on who is doing the study.

Something like roads, for example — the question of investment in any of our highways systems that are used by mining companies, but are not exclusively used by mining companies. It is hard to precisely define if that investment is made because of a mining company if, for example, a road is going to see further traffic from mining companies and is upgraded to prevent the road from falling apart and creating a safety issue for mining trucks and the general public. But if the majority of the users are still the general public and not the mining company, who is the road upgraded for and which potential — which portion of the investment — should be allocated toward the mining company and which to the general public?

When you look at increased revenues through the very limited resource revenues and the much more significant revenue in terms of corporate income taxes from the successful mining projects and income taxes paid by their employees, the amount of money that goes into the government coffers from a mine versus an investment that was required to upgrade a road — those were all things that can be debated.

There is some information out there. I hope I have given the member an answer that at least answers some of his questions. There will be some more work on this. I think it is also fair to say that no matter what cost-benefit analyses are done, we will still be debating in this Assembly whether the investment was made to facilitate mining or whether the investment was made to facilitate other services and the comparative value of revenue through income taxes, through comparative costs in hooking up and doing rural versus — the power line is an example that the member mentioned with the Minto connection, which I believe he was referencing as an example where, of course, there was the investment of then Sherwood Copper and now Capstone into the line, including their contribution to the main line and fully paying for the cost of the spur line.

They helped us extend it not only to them, but to Pelly Crossing and take the community of Pelly off of diesel generators. That has some benefits in terms of the reduction in diesel fuel costs, looking only at the community of Pelly Crossing in this case for example. The community of Pelly Crossing has a benefit in the reduction in costs of diesel fuel.

There is also a benefit I think the member would agree other than economic in the reduction of carbon emissions. So in this case, when the government is committed to supporting reductions in carbon emissions, committed to investments in

renewable energy, supporting and encouraging the use of energy including energy for electricity that comes from environmentally responsible means of production that have less greenhouse gas emissions, it's hard to determine if you simply look again at the cost of the savings in diesel fuel. Do you look at the reduction in carbon footprint? It's not a simple question to answer or to assess. My belief — and I would actually suspect the member probably doesn't even disagree with me — is investment of some government resources, particularly when we can leverage that private investment, as we did in that case.

Those types of investments that lead to lower carbon emissions and reduce the impact that we're all having in terms of carbon footprint are beneficial, aside from their strict dollar-and-cents costs.

Mr. Cardiff: Mr. Chair, I thank the minister for his answer. I'm not going to pursue this issue any further. I do have some other questions with regard to mining.

We asked questions — I think it was on April 20, in the Department of Environment about water testing. The Minister of Environment stated that they have, I believe, three water inspectors in the Department of Environment, and they deal pretty much exclusively with placer mining — or no, they don't, actually. When it comes to hardrock mining and quartz mining, the water testing is performed by Energy, Mines and Resources, I believe.

Can the minister confirm that this is, in fact, the case? Do they do the water testing for hardrock mining or quartz mining? I am just wondering how many inspectors there are in the Department of Energy, Mines and Resources doing water testing? At which mines are they responsible for doing the testing?

Hon. Mr. Cathers: In answer to the Member for Mount Lorne, indeed that is correct. One of the obligations of Client Services and Inspections is doing that work. I am just hopefully going to have a number, if we are able to find it for the member, to give him some information in that area about people who do that work. I point out that the CSI staff has a number of duties that include those things depending on where they are. They may do inspections of a number of types of activities while they are out at either a placer or a hardrock mine.

As far as dedicated positions versus positions that spend some work in that time, it is not really something we can give an FTE-hour estimate of how much of their time is spent.

Client Services and Inspections has 46.3 full-time equivalents in several communities throughout the Yukon and their work does include that obligation. I think that answers the member's question.

Mr. Cardiff: I know that it's housed in the client services and inspections branch. There are 43 full-time equivalents, and we don't know how many of them are responsible for water testing. This is an important question. On one hand, the Department of Energy, Mines and Resources is responsible for managing the non-renewable and renewable resources of the territory. At the same time, the Department of Energy, Mines and Resources — you could almost call them a "proponent", because they've been in the business of hiring project champions to help people through the process. They're promoting the opening of new mines, and at the same time they're responsible

for a regulatory role by providing inspections and monitoring to ensure that there is no environmental damage being done and, in particular, doing water testing. He said there are 43 FTEs, but we don't know how many of them are doing water inspections, whether or not they're qualified to do water inspections or which mines they're responsible for.

Given the potential for mining in the territory right now — we've got Alexco in the Keno district and we've got Sherwood Copper on line. We know there were some problems there last fall, I believe — or last year — with the runoff, where they actually had to evacuate water from the tailings pond, I believe, because it was going to overflow. We need to ensure that the water testing is being done appropriately.

We've got Western Copper coming on line. There are concerns about the process there, and the fact that it is a "large-scale test" — I believe that is the way that it was worded. We've got Yukon Zinc coming on stream in the near future with its Wolverine mine. We want to ensure that the department is doing its utmost to do the water testing, that we've got qualified people to do it and there are not going to be any corners cut. That's the purpose behind the question. I would ask the minister to respond to that.

During the briefing, department officials committed to send a note or a legislative return on the environmental liabilities. How much money was there for environmental liabilities and for which projects? That was under client services?

Hon. Mr. Cathers: With regard to the last part of the member's question, I will have to check into that for the member.

I don't have the answer right here. I can tell the member first of all, I think to clarify for the member, the basic approach and attitude toward customers, including mine projects that come into Energy, Mines and Resources, is that a key part of the department's mandate is to help people move forward successfully. I guess that the best way to put it is that a key obligation is to help them understand and meet the requirements. Everyone who comes in the door is wished well in terms of their success but a key part of the focus is in helping them understand what they have to do. We work with them proactively in helping them do it if they require assistance in understanding what they need to do to meet the regulatory requirements and ultimately, if they are not making appropriate efforts to meet the regulatory requirements and aren't meeting the regulatory requirements, there will certainly come a point potentially in any project where enforcement is required and enforcement will be undertaken.

The program objective is worded and the language is "To conduct inspections and monitor activities on public land to ensure compliance with legislation and regulations pertaining to lands, land use, timber, water, placer mining, mineral exploration and development."

It also includes, right above it, "To provide a modern environmental monitoring and regulatory inspection program based on information, education, encouragement and enforcement."

This is under Client Services and Inspections in the program objectives.

So again, in answer to the member, the obligation is — it might be compared to — another example, off the top of my head, in a very different area, of education for example. A teacher tries to help the students succeed, but at the end of the day they will be marking the paper based on what they did and what they didn't do. So I think that it's not a direct comparison; I'm using a bit of a comparative example, but I think it could be, to some extent, compared in there that it's a somewhat similar approach. They want to help projects, large or small, and people or companies, to be successful, but ultimately, if they do not take the help that is offered in understanding the regulatory requirements and if they do not take the appropriate steps to meet them, there will be a point at which enforcement is required and will be taken.

Moving back to water testing specifically, Client Services and Inspection — throughout the work within the unit, there is some work that — to give the member a precise answer without having all the details in front of me on that — some of that work would be that some water testing can be done in the field; some water testing has to be done in a lab, if it's a requirement to get a sample, for example. A staff member, who might not be actually qualified to perform a test of whatever is being tested for, might have to take that back to a lab and some of that work can't be done in the field because of the types of testing done without equipment. Some are more simple to do, so certain things could be done in the field and certain things can't be. It would be inspecting the area and taking samples, et cetera, following the training they have in inspecting the type of facilities.

Moving to the Minto situation, I believe the member is referring to that situation — I would point out to the member and anyone listening that that was a case of them having significant rainfall at one period of time. It was not through any activity on the company's part, but through the design of the dam, which is designed to capture fresh water coming off the hills. Because of a significant excess amount of water coming down in that area, particularly for that period in time, there was an issue with how much their water licence allowed them to spill over the dam. So in the interest of complying with their water licence, rather than doing what would have been the more commonsense approach of letting what was fresh water in a fresh water pool, it was fresh water being added to fresh water.

There was some dirt coming off the hills, but that was the worst thing in it. Rather than letting it spill over the dam, they had to at one point pump it into the pit so that they complied with the water licence by not spilling more water than they were allowed to. So that's an issue that is there. Of course in discussing it they are taking steps, and government and water resources, et cetera, are looking at that situation to determine how to prevent problems in the future. But the company, it should be pointed out, did everything responsibly and followed all direction that was given to them for addressing those requirements and there was no contamination of streams in the area.

Another thing I should point out is that with projects — particularly large mine projects — there would be a requirement for them to do some work themselves on ongoing water

testing, et cetera. That's not limited to mining activities either, but there are some other areas that would require testing within the vicinity in addition to the work they do and in addition to reviewing reports from qualified firms contracted to do that work, because they are expected to contract somebody who has some degree of independence to perform that work in addition to reviewing the work they have done.

There is, within Client Services and Inspections, inspection ability and work that go on to ensure that companies are meeting the requirements related to water and to preservation of water resources. I hope that has answered the member's questions.

Mr. Cardiff: I thank the minister for clarifying the situation with Sherwood Copper; that is helpful. The purpose of the question was just to ensure that we're doing appropriate water testing and I hope that we are. I'm still unclear after the minister's answer, but we hope that's the case.

I'd like to ask the minister, with regard to revenues, there is a 30-percent decline in oil and gas royalties. That's largely attributed to a decline at Kotaneelee, from what I understand.

We understand it's either going to run out or become uneconomical in the very near future. It's also our understanding that there are other gas resources in this area, but it will require the consent of the Kaska First Nation, as it's not a settled land claim and there's no final agreement there.

I'm wondering if the minister can give us an update on how things are proceeding; whether there are any negotiations going on with the Kaska about oil and gas dispositions in the southeast Yukon and any plans for activity in that area.

Hon. Mr. Cathers: There's some work going on in that area that is not finalized, but we hope will be soon. We hope we'll get a successful arrangement and agreement with the Kaska First Nation, the Liard First Nation and the Ross River Dena Council related to the ability to issue a disposition for oil and gas in that area.

That is all I can tell the member at this point in time. We are cautiously optimistic that we'll have something in place shortly that will enable us to make a disposition, but that is still to be finalized and there's still the possibility there could be challenges in that area. There is active work going on, and officials have been working with officials of the First Nation in an attempt to give us the ability to issue a disposition that they are supportive of.

In answer to the other part of the member's question, yes, the member is right. The decline in oil and gas revenue is due to the declining production in the Kotaneelee field.

Mr. Cardiff: I have some questions with regard to land use planning. The government recently transferred land use planning from Community Services to Energy, Mines and Resources. It's hoped this will streamline and make for better lines of communication when it comes to both land planning and land dispositions.

I have a couple of questions around land planning now that it is with the Department of Energy, Mines and Resources. Last fall I had a few conversations with the Minister of Community Services with regard to the Marsh Lake area and the residents out there. There was a desire there for community land use

planning, and it was a similar situation to what we were experiencing a few years ago in a number of areas of the Yukon, including my own riding in Mount Lorne, about the ad hoc spot land applications. I would like to know if there have been any meetings or how the land use planning process in Marsh Lake is proceeding and when they might be able to expect to see a land plan that they could vote on and the regulations that would go with that.

Hon. Mr. Cathers: First of all, I need to point out that the local area planning process and land use planning are two different things, and they're referred to differently as "local area planning" and "land use planning", which, of course, in the latter case, is referring to the broader area plans specified in the *Umbrella Final Agreement* and in final agreements. North Yukon and the Peel, for example, are the first two that have been in the process here and they provide for a much different process.

Local area planning involves a much smaller area and is aimed at reflecting the appropriate needs and interests, et cetera, within a community area, and it's typically centred around a community — of course, unincorporated communities, but it's a community or a spread-out area. For example, in some cases the concentration level is very — take Marsh Lake, specifically. I know that the Marsh Lake Local Advisory Council and area residents would like to see that planning process move forward. Certainly, we've heard them and heard the Member for Southern Lakes bring up the issue on behalf of his constituents.

The Yukon government is continuing to work with the Kwanlin Dun First Nation in this area. We do have an obligation, under the Kwanlin Dun First Nation's self-government agreement, to work with them in a collaborative planning process in the Marsh Lake area, when that occurs, so that is what we are working on right now. That does require them to agree to it as well. They have had some capacity issues lately, which I understand have been alleviated through staffing enhancements they've recently made. Therefore, we are cautiously optimistic. We think that things are moving forward at this point in time, but we do have a legal obligation to work with Kwanlin Dun in terms of moving forward with that. I hope to be able to make an announcement in the not-too-distant future, but that work is ongoing, so it's premature to actually say for sure that it will be where we hope it will be.

I appreciate the member's question. I understand and appreciate the concerns of local residents, and we want to move forward with that at the earliest point that we can, while meeting our legal obligations under the Kwanlin Dun First Nation final agreement.

I'd also note to the member, in case he didn't notice it — I note that it may be hard for the member to specifically note it, since we've moved the land planning branch from Community Services to Energy, Mines and Resources, so it is now in a different area — I think it was mentioned in the budget speech that we have increased the funding for community land planning initiatives by \$50,000 this year. The objective of that is to enhance our ability to move forward with local area plans.

I know that the member has faced frustration in the past, as I know his constituents have and other Yukoners — including my own constituents — in terms of the time involved in moving forward local area plans and zoning in the past — dating back, in some cases encompassing several governments — and that local area planning zoning processes have dragged on for in excess of a decade.

That is a key part of what we are trying to achieve. Moving the land planning branch in with the other land-related branches under EMR provides the ability for staff to work together, makes it easier for them to work together with officials who have a similar responsibility and obligation, and gives them the ability to do that in a more timely manner and through increasing the resources available to them for land-planning initiatives.

Although there will still be challenges related to process requirements — consultation, et cetera — that make the processes by their very nature somewhat lengthy, the intent is to move forward with some of these areas that have been requested by residents for some period of time and to give officials more resources to do just that and address those interests of residents for local area plans or local area plan updates.

Mr. Cardiff: He is right. We have all experienced frustrations with the process and I hope that this new change is going to improve that.

I would like to know, as well, about the plans — there is money in Community Services. The minister identified a sum for land development on the McGowan option and I am just wondering where we are at with the planning process for that. When I asked the minister the question in Community Services, he told me that I'd need to ask the Minister of Energy, Mines and Resources, so that is what I am doing. He is the one who is leading the planning process. The money for the development is still coming from Community Services, so we haven't totally streamlined this process. I know that there is a desire on the part of the community for this planning process to involve the community and for the community to have a say in how that process and how that piece of land will be developed for the future.

So, I'm interested in where we're at with the planning process for the McGowan option land, because the Minister of Community Services is holding money for a development there.

Hon. Mr. Cathers: Mr. Chair, at the request of the Hamlet of Mount Lorne, the plan review of the Mount Lorne plan is being undertaken in a phased manner, so that issues associated with plan policies and impact on some lot enlargement applications can be considered now before proceeding with other aspects of the review. The next phase of plan review will look at the feasibility of an agricultural and rural residential development in an area known as the McGowan option near the north end of the hamlet. I hope that has answered the member's question. That's all I have right here with regard to information and if it did not, if he could be specific about what he's looking for, we can attempt to provide him with some more information.

Mr. Cardiff: Mr. Chair, it's very rare where we run into this situation where I think I probably have more information than the minister does.

Phase 1 has been completed of that planning process, to the best of my knowledge. So we're in phase 2, which is the planning process for the McGowan option, and what I'm asking is where we're at in that planning process. If the minister doesn't have the information, he can provide it by a legislative return.

The important part — I think the lot enlargement issues have been dealt with, and the second phase is dealing with the planning for the land development on the McGowan option property. The way that this has taken place, though, seems to take a long time. The question for me, I guess, is why has the Minister of Community Services got money set aside in his budget to move forward with a land development when we haven't even, according to the minister, started the land planning process? So that's the question. Where are we at with that planning process?

The Minister of Community Services doesn't have the answer. I know that. I know there's money there for land development; he identified it.

But according to what I am hearing, we haven't even started phase 2 of the planning process.

Hon. Mr. Cathers: I hope the member will forgive me for not having the answer off the top of my head. I would point out, of course, that the land planning area and the land planning branch has only been in the Department of Energy, Mines and Resources since April 1. In fact, looking at the date of the information we have — the information that I have in front of me has not really been updated since that point in time.

I will have to undertake to look into it for the member. I know that the issues related to plan amendments are on our list. I know that the McGowan option lands is listed as an issue, but it is not a file and an area I am that familiar with at this point in time. As we go past this stage — just in excess of four weeks now or getting close to five weeks — land planning has been under my responsibility. As we get a few more weeks down the road, I will certainly have that information. I will look into it at the member's request. At this point in time, as far as giving information about planning process, I have provided him what I have and I will have to look into that further and get back to him regarding where that it is.

Mr. Cardiff: I'll look forward to receiving that information from the minister.

I'd like to ask the minister some questions about forestry as well. I'm just wondering whether or not there have been any dates set for public consultation on the new forestry act regulations — whether or not there was a desire on the part of some groups to have a two-stage process on consultation for the regulations. I don't know whether or not that's going to be the case.

I'd like to know what direction the department is taking. There are a number of issues around the regulations, and we don't have time here today to get into them. But one of the things that I'd really like to see is for the department to take a direction to ensure that the regulations will lead to the devel-

opment of a significant value-added forest industry, so that we see manufactured products.

One of the selling features that the government uses and that I hear the Minister of Economic Development often say is one of our advantages is that we're two or three days' closer to China and the Far East than Vancouver or other ports on the west coast. That's with regard to shipping our raw products out, the ones that aren't manufactured. I think what we need to do is to develop more of a manufacturing industry, and this is one place where we could possibly improve that. We still have the same advantage: we're still two or three days' closer to China and the Far East. We could be shipping finished products, as opposed to raw products.

I'm looking for some information with regard to what the government is doing, what the department is doing, in the development of those regulations to ensure we have a significant value-added forest industry and not just raw-log exports like we had several years ago.

Hon. Mr. Cathers: I share the member's desire and point out that I believe in the 2002 election platform it was noted that we would work to encourage the value-added, as a preferred value-added processing, as opposed to raw-log exports. That's a commitment we continue to hold.

I point out to the member, first of all, that some of the processes around value-added would be policy level rather than regulations, meaning we wouldn't prohibit somebody exporting raw logs, but we would tend to encourage the development of local processing, local facilities and local uses. In the current market conditions, even with the issue of being closer to Asian markets, the challenges for the Yukon in getting into an export market at this point in time — when you have set-up, established facilities down south that are having challenges continuing that market — I don't think exports to Asia, et cetera, are likely to be a source for much wood in future years. One never knows what there might be the possibility for, but I think probably value-added would be a bigger market there than raw-log exports, simply because of the economics in the forest industry as a whole.

We will be, through policies and through work such as — I mentioned some of it — with the City of Whitehorse, assessing the feasibility of a biomass district heating project in Whitehorse. Again, of course, that is not a direct timber-related one but it does relate to use of the forestry industry; there is work underway with Canmet to recommission the fluidized bed gasifier at Yukon College — just as a few examples of some of the work that has been going on.

We also have work going on with regard to assessing the potential feasibility of pellet production in the territory. Some are identified within this fiscal year. Those are examples of work going on. The regulations on the *Forest Resources Act* — the development of the draft has taken place at this point in time, until Cabinet has made a decision on the proposal as far as regulations, timelines and consultation. The consultation around those regulations — I can't make any commitments to the member about when or where, et cetera, beyond saying that, as indicated before, it is our hope — subject to Cabinet approval — that we will be in the position of consulting on

forestry regulations later this year, but that is all I should really say or commit to the member until Cabinet has assessed the proposal and hopefully then given us the green light to take draft regulations out for public consultation.

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

Recess

Chair: Committee of the Whole will now come to order. The matter before the Committee is Bill No.15, *First Appropriation Act, 2009-10*, Department of Energy, Mines and Resources. We will now continue with general debate.

Mr. Cardiff: I thank the minister for his answer about forestry and the forest regulations. It seems like a long, drawn-out process, and I guess we'd like to see it moved along. From my perspective, anyhow, I don't want to see a large-scale biomass industry, but I think that there is, with regard to other pieces of the forest industry — and we've seen this over years and years and years, and in fact we drive by it every day, the little lumber yard and the lumber that comes out of the Dawson area. That's a small operation that's fulfilling a need here in the Yukon, and it is small, but it's a value-added product that is fulfilling a need here in the territory. So those are the types of operations I think we want the regulations and the policy to encourage.

I would like to ask some questions, as well, about agriculture and just get a quick update on a number of things, and what the government is doing to support the agriculture industry. I know there is — I think it was called the Growing Forward initiative. I heard the minister on the radio the other day and there's some new money coming from the federal government as well. There was an article yesterday in the newspaper that said the Yukon Agricultural Association, the farmers and the Yukon government are investigating the feasibility of a permanent slaughterhouse and processing plant. I'd be interested in the nature of those discussions.

I don't know if the minister can provide me with more information. I may get a phone call that provides me with more information when I ask this question. I know we made a substantial investment in a mobile abattoir. It's my understanding that it only processes large animals into quarters.

We are talking about a permanent slaughterhouse and a processing plant here. I am just wondering why there aren't local butchers who could provide — whether they have the capacity or not or whether that has been looked into — where meat that has gone through the mobile abattoir could be processed at some of those facilities.

I would like to know whether or not the government is supporting the sharing of equipment among farmers — if there is some sort of a program. I know that farming equipment is expensive. I know there was some sharing of grain bins at one time. I would like to know whether or not that is still happening or whether that has been expanded to provide assistance to farmers in storing their crops and making it more efficient for them.

I heard the minister provide the list of community greenhouses yesterday in debate with the Member for Kluane. I would like to know whether or not there are any plans to expand these efforts.

There is an issue around food security, and I know that we can't grow everything. I believe that we've never been able to supply all of our food needs here in the Yukon, but we can certainly do a lot more than we are. I think we are doing a lot more over the years that I've been here, which is about 30.

The other question around agriculture is this: I'm wondering whether or not the Yukon government — as a major consumer of food, through its purchasing for facilities like Copper Ridge and Macaulay Lodge and other homes like that — has a policy about purchasing locally grown food, where it's available.

Hon. Mr. Cathers: First of all, in answer to the Member for Mount Lorne, I clarify that the focus of the one newspaper article spent a fair bit of time talking about one of the examples that members of the agricultural industry had given as a potential infrastructure project. At this point in time, I want to emphasize that no specific decisions have been made in those areas beyond the general commitment to support the development of infrastructure that improves access to markets and improves the viability, feasibility, and profitability of farming, both on a large and a small scale, in the Yukon. That includes commitments to making improvements that are necessary around food security due to the recent issues we've had nationally and internationally around tragedies due to things such as listeriosis, et cetera — examples that are causing every government in Canada to look at the need to ensure that food security is a priority.

It is indeed a priority under the Growing Forward agreement we've signed with the federal government. That includes, as one of the chapters under Growing Forward, "Food Safety: From Field to Fork," and that includes things such as the food safety strategies initiative, which "provides for the design, implementation and building of partnerships in the development of food safety strategies for all agri-food commodities..." It provides for "strategies related to food safety education and training, food safety compliance, and livestock and agri-product traceability." That includes things such as — I won't go through all of it, but I want to highlight a few things to the members: the hazardous analysis critical control point implementation and those types of planning systems; food safety compliance activities; bio-security risk prevention and mitigation. These are just a few of the examples under this area and funding is available here.

In terms of planning, what I note to the member is that we do have a multi-year development plan developed by the industry with government support. Much of the funding availability is based on what is proposed including, for example, under food safety strategy initiatives, under that chapter of the food safety section of the Growing Forward agreement, eligible applicants include individuals, farm groups, cooperatives, non-profit organizations and governments. Again, in the other area of bio-security risk, et cetera, again the same list of individuals, farm groups, cooperatives, non-profit organizations and gov-

ernments. So it is available based upon work that comes from individuals, groups, et cetera, within the agriculture sector.

What we are looking at in negotiating with the federal government the flexibility to use federal money for infrastructure that we did not have before is we're looking at infrastructure that makes sense for the Yukon in meeting that goal that I outlined of improving access to markets, improving viability, profitability for farmers and improving food security.

Another key consideration in all of this, in looking at this, is the costs in farming — particularly for somebody who has a market garden, for example, or a small operation where they have a few chickens. Putting in place a lot of processing infrastructure is not going to ever make sense economically for them, because the market margins are never going to work — they're never going to — well, not never — but the amount of time required to pay off their investment would be so lengthy it simply doesn't make economic sense for an individual or even the private sector — in certain types of infrastructure — because much has happened right across the country.

Certain components of agriculture infrastructure typically had — particularly in the early years in development of the agriculture sector — some level of government investment. So we're working and will be working further with the agriculture industry, with farmers, to determine what piece of infrastructure makes sense for the Yukon, recognizing that some of them are key linkages between the producer and access to market, where the industry won't grow without having that infrastructure. There will be some issues around determining how long it will be before something like that might be fully or mostly utilized because it will take some time for people to make those decisions, build their farm, and potentially even apply for land or acquire land to move into that line of business. So it does take some time.

There will be a fair bit more work to be done for some elements. There are others that we will be able to move forward with quicker. An example of this type of thing — the member asked a question about equipment sharing. A good example, actually, of the flexibility that exists is the no-till seed drill that has been purchased through the program and is due to arrive in the Yukon sometime this month. It will be available on a rental basis for anyone who wants to use it in the farming industry. Again, it's a fee for using the equipment. There is a contract in place related to somebody managing that equipment and ensuring that it's maintained, et cetera.

These types of examples are areas where, with mobile equipment, there are certain pieces of infrastructure that are going to be too expensive for — typically, down south, they are a big expense for a very large farm and, in the Yukon, the size of our farms, — it's not likely to be in the foreseeable future, are not likely to be anything approaching the size that big farms get down south.

We believe that it is important that growing the production of Yukon food and increasing the amount of our food supply that is grown in a healthy fashion locally is an important goal for government and society. Obviously investments have to be made based on the commonsense approach. We recognize there are going to be some areas where we need to work with the

industry to determine what pieces of infrastructure, what types of infrastructure, require government support if the industry is going to move forward significantly. That work will be done and examples include, of course, in the past we have provided support for the Fireweed Community Market and I anticipate we will continue to do so in the future. Support has been given to quite a number of agricultural activities. I won't go through a whole list for the member here this afternoon; I think I have made the point with that.

The simple answer — he asked about grain bins and I think he was referring to fertilizer bins and those are still in place. The equipment sharing is something that we anticipate will occur more under this agreement than has in the past because of the available funding. It will all be based on evaluating project proposals.

Just to recap, when we refer to infrastructure that improves access to markets, this may include greenhouses as well. It may include cold storage facilities. It's hypothetical at this point in time until we evaluate the proposals. Ultimately, to give the Member for Mount Lorne the idea of the basic objectives I will be proceeding with on anything that reaches my desk and the direction that has been provided to staff through the agreement, we're looking at infrastructure that makes sense for the Yukon, that makes sense for growing Yukon's farming industry and that includes assessing things, including greenhouses, which might potentially be part of it.

To conclude what I was going to note for the member, we want infrastructure that improves things not only for large farms, but also makes it easier for somebody who has a garden and wants to grow three times the produce that they and their family will use, to give them the ability to sell some carrots to a facility. These are the types of ideas we've heard from farmers that we have to assess. In concept, I must say that I think there's merit to investigating the feasibility of the idea of whether we can make it more viable for small-scale producers to have somewhere to sell their chickens or their extra vegetables.

Some of this may happen quickly; some of it may take quite some time to move toward, but those are some of the broad objectives and principles that I think make sense for looking at developing the Yukon's farming sector and increasing the amount of food that is locally grown by producers, both large and small.

Mr. Cardiff: There are about three more areas that I'd like to ask questions in and I'd like to try and move through them as fast as possible.

With the Energy Solutions Centre, there is the good energy program that has rebates on home appliances and other things — I believe even outboard motors. We support the idea in improving home appliances, reducing energy consumption and encouraging people to do that.

I'm wondering how the program is evaluated, how the rebate rates are determined, how they determine which products are eligible, and whether or not there are any plans to expand the program to other products. If the minister doesn't have this information, he can provide it by legislative return. I think that will cover that off.

Hon. Mr. Cathers: The good energy rebate program is, of course, a fairly new program, and we'll be assessing it. In terms of the development of it, I know that staff have looked at policies by other governments and looked at other jurisdictions as far as rebates and the successes of those programs go and developed what they believed to be a model that fit the Yukon, based also on what they heard through input from stakeholders.

Some of this does incorporate input heard through the energy strategy process, as well, to develop a Yukon model. In a nutshell, that is basically how the list was developed, as far as the specific criteria they used in setting dollar amounts, et cetera. That's information that I don't know the details on.

The simple answer is that I know they were looking at programs in other jurisdictions, looking at a portion of the costs and trying to come up with policies that, based on experiences elsewhere, were likely to be successful in encouraging consumers to purchase products and make those decisions and provide support that was significant enough to encourage those choices, but not any larger than necessary to encourage that choice. It is based on what they believed to be the best practices in other jurisdictions, adapted to the Yukon.

In terms of the program itself and expansion, we did expand it slightly in this year from the range of what was covered versus before. I can't recall off the top of my head what that was. I believe in the press release on expansion of the program, which I think was in March — if memory serves — that covered the area that had been expanded, but I encourage the member to just check out the Web site. If he is not able to find it, let me know. I know we did make an announcement as far as that expansion. I just can't recall the products that were added off the top of my head.

Mr. Cardiff: I will look into that.

Yesterday there was a discussion about renewable energy and the government's energy policy. I listened intently and with great interest.

The minister talked about the independent power producers policy that's going to be developed. They're working with existing stakeholders, one of which would be the Yukon Energy Corporation, I suspect, and potential stakeholders. So there are a number of stakeholder groups that are interested in producing power. I support the concept of net metering, and I don't want to get into the argument that was happening yesterday about whether it was flawed legislation or not. We all have our opinions about which legislation is flawed and which isn't. But I can support that. I can support the concept of net metering on small-scale power-generation projects.

But my question to the minister is about when they're developing this independent power producers policy — the Premier is on record as saying no P3s for health and no P3s for education.

The Yukon Minerals Advisory Board in their annual report of 2006-07 — I'm going to quote from the report here. It says, "Similarly, the Board encourages YG and other stakeholders to move forward with a process to ensure interconnection of the power grids north of Whitehorse to achieve greater efficiency and capacity in the central-north Yukon..." That has been done or is in the process of being done. "...as well as the potential

connection to the BC grid..." which is problematic, due to the distance. I attended a meeting the other night where the president of the corporation was addressing that issue and the possibilities of that. There is a grid extension possibly in British Columbia, but it is my understanding that it won't be bringing it close enough to the Yukon to make it economically feasible to tie in to the B.C. grid.

The other thing that the board was encouraging the Yukon government was "... legislative amendments to allow the licensing of exclusive water rights to private parties for the generation of power."

This to me — I would like to know what the minister's position on this is. This is licensing of the exclusive water rights to private parties for the generation of power.

Water is a public resource. I believe that the majority of power generation should remain in the hands of the public and the public corporation, the Yukon Energy Corporation. It should remain a publicly controlled entity for the benefit of all Yukoners.

I am just wondering where the minister stands on granting licensing or basically granting control of water rights to private parties and on the privatization of power.

Hon. Mr. Cathers: In answering the member's question about privatization of power production — I would point out a few things to the member first of all.

At this point in time, we have two utilities providing electricity to most Yukon consumers. One is publicly owned; one is privately owned; and although most is produced by the publicly owned corporation, most of the distribution is done by the private company. I'd point out that in most Canadian jurisdictions, there is a mix. There are some that have more done through a publicly owned corporation; there are some that have more done through the private sector.

As far as new projects and new proposals coming on-line, we are supportive of companies, both large and small, getting into the business of power production within the context of a policy, once it's developed, and we're certainly supportive of the existing private sector utility if they make further investment in the Yukon. Of course, all of that is subject to the regulation of the regulatory body of the Yukon Utilities Board. All projects over a certain size under the *Public Utilities Act* are within the Yukon Utilities Board's jurisdiction to review anyone's proposal, and that would include independent power producers.

So I think as far as that goes — I'm not sure if the member was expressing a concern about that type of new investment. I don't see that as necessarily being a bad thing. In fact, we see leveraging private sector investment, as long as it's within the context regulated by the Yukon Utilities Board and is of benefit to the system and to Yukon citizen ratepayers, as a positive thing. But the IPP policy has work to be done on it before determining exactly what it contains.

With regard to the issue of water rights, I share the member's perspective that water has to remain being recognized as a public resource. That being said, currently under the *Waters Act*, if an independent power producer component or an existing utility wanted to develop a hydroelectric project, they

would have to obtain a water use licence. That would be similar to what would occur for, of course, water licences for a variety of different projects, whether mining or irrigation or other steps that can occur that Yukoners can use water for, but owning it is a different question.

As far as the wording in the Yukon Minerals Advisory Board report, I think exactly as it's worded, I understand exactly why the Member for Mount Lorne has concerns. And I think that, while noting very clearly that we'll let the IPP policy work go on and determine exactly what the end outcomes are after we've worked with stakeholders, I think it is fair to say at the outset of that process that what the Yukon Minerals Advisory Board proposed as far as exclusive water rights, et cetera, that type of wording and specifically what is described would not be something that would be palatable.

However, I think that what they were actually getting at was — as I understand it — that if an IPP proponent identified an area, that they would have some method of preventing another company or one of the big utilities from coming in and shoving them aside before they had been allowed to process their project through the YESAA assessment process and the Water Board process and hopefully reach an outcome where they would get something. I failed to mention the Yukon Utilities Board process related to it.

That I think, fundamentally as I understood it, is what they and others who had expressed an interest in independent power production are really aiming for — although, perhaps, some would like to go further. It seems to me that the core policy issue that is being identified is that, if someone identifies a potential location for a project, that they won't have a bigger utility or someone else come in and shoulder them aside. They will have some method of being able to go through and show them some method of being able to go through due process and determine whether they will be able to reach a successful conclusion in bringing a hydroelectric project, whether it is large or small, into fruition.

Again, noting that fundamentally we will allow the process with stakeholders and the public to go on and aim toward developing the best independent power producers policy for Yukon citizens, we are going to ensure that water as it is now continues to be a public resource; that while it can be used under a water licence, we're not going to be selling or giving away the public interest in that. We will work, in an appropriate fashion, to accommodate private sector interests that meet with the public's needs and the importance of preserving Yukon ecosystems and maintaining the necessary government controls over any usage of water. I hope that has answered the member's question.

Mr. Cardiff: I appreciate the minister's answer and look forward — I'd be interested in what the timelines are for the independent power producers policy and when we might expect to see that.

I only have one more area of questioning, and I know the minister answered some of these questions yesterday about the Alaska Highway pipeline. But I'd like to know a couple of things.

There have been a number of developments around the pipeline. I know that there are processes going on with regard to moving both of the pipelines forward — the Mackenzie Valley and the Alaska Highway pipelines. I'd like to know what steps the minister has taken to ensure that the Yukon is able to maximize economic benefits of this project, while at the same time minimizing the social and environmental problems.

The reason for asking the question, I guess, is because there are concerns about a project like this coming through here like a freight train and leaving a lot of social wreckage in its wake.

Yes, there are benefits to be had, but we want to ensure that those benefits are here in the Yukon. There's going to be a lot of people coming to the Yukon to work who are going to take their paycheques home, but part of it is about training and education, and there are a number of initiatives going on.

I know that there's a lot of money in the mine training initiative, and hopefully some of that money is being directed toward pipeline readiness as well. I know that there are other organizations that are looking into this and trying to get some training off the ground and ensure that we're ready when this project does come through, if and when it comes through.

I'd also like to know what level of support this government is providing to the Alaska Highway Aboriginal Pipeline Coalition. I would also like to know if there are any plans to increase that level of support to the Aboriginal Pipeline Coalition.

Hon. Mr. Cathers: What has been done? There has been significant work done by officials not just in Energy, Mines and Resources but also through several interest-specific interdepartmental subcommittees to advance understanding of each interest and prepare strategies to meet our interests related to the pipeline. We have identified a list of seven key interests, including the following: ensuring a net fiscal benefit to the territory; enhancing positive socio-cultural impacts while mitigating negative socio-cultural impacts; promoting environmental stewardship; recognizing community and First Nation interests; advancing a clear and efficient regulatory process; supporting economic pipeline access for Yukon natural gas; and requiring gas takeoff points in Yukon.

As I touched on, I believe yesterday, no matter which potential project might proceed — whether it is TransCanada or the Denali project — we will continue to work with all public governments and assessment agencies to provide for a clear and efficient process that addresses our key interests, continue meeting regularly with federal counterparts and with the Alaska and U.S. representatives, as well as with *Yukon Environmental and Socio-economic Assessment Act* officials, the Aboriginal Pipeline Coalition and First Nations directly, and meeting as well with B.C. and Alberta on the Yukon-led strategic action plan to assess cooperation and collaboration on common issues, such as environmental assessment, regulatory certainty and First Nation consultation. Mr. Chair, I think that has mostly addressed that.

The current level of support for Aboriginal Pipeline Coalition is \$200,000 and as I am sure the member can understand, I can't make any commitments to future funding levels that would require Cabinet approval and ultimately approval of the

Legislative Assembly, at this point in time. We will simply note that we're not ruling out the possibility of increasing support in the future. If it becomes appropriate to do so through the pipeline proceeding to a stage where it is getting closer to the state of actually happening, we would be seeking more federal support — because of course they resource the Mackenzie Valley gas pipeline project and support on there. We believe that they would have a role in that. The Yukon support could potentially be increased as well, but we believe that a significant portion of the obligation would fall on the federal government through Indian and Northern Affairs Canada. They've certainly demonstrated a willingness to fund the project and support that type of work in the Mackenzie Valley area. We believe that the Yukon should receive a similar level of support, once the project gets to that stage. We would certainly advance that interest.

I hope that has answered the member's questions.

Mr. Cardiff: Yes, it answered the questions. I thank the minister for the answer. I've got one more question now. He listed seven key areas of concern with regard to where they were working, identifying concerns around the pipeline, about minimizing social effects and promoting — I don't have them in front of me obviously — promoting environmental stewardship and ensuring net fiscal benefit to the territory. I'm just wondering what steps the minister is taking and what steps the government is taking in order to ensure that those seven key concerns are addressed.

I thank the minister for his answer about the Aboriginal Pipeline Coalition and the need for federal funding. What is the minister's department doing? Are they in discussions with the federal government to encourage them to provide more funding for the Aboriginal Pipeline Coalition?

Hon. Mr. Cathers: With regard to funding for the Aboriginal Pipeline Coalition, we have made that request of the federal government. At this point, there are no active discussions. We have brought it up several times and it has not been ruled out. But we also haven't seen the cheque cut, either. So we're hopeful that more work will occur.

With regard to the rest of the member's question, I think what he was asking was regarding the interdepartmental work that's going on. Officials have discussed it with the companies as well, and they have agreed that they have no problem with those key interests. There is some work, depending on budget proposals, et cetera, since we don't even have a detailed project proposal, let alone an assessment. Some of that work has to be done yet by the company before there is anything we can assess or disagree with, also noting that some of it has the federal role as a regulator in it.

But for our part, in our involvement, to an extent we'd be an assessor. In all areas where we would be an intervenor in federal processes, we'd have to assess the details once the details are provided by the company. But the principles that are being listed in the approach within the interdepartmental work that I referred to in the Yukon government have been focused on identifying some of the potential problems, issues, et cetera — opportunities, as well — areas where we need to identify these interests to mitigate the negative impacts and advance and expand the positive impacts seen by all Yukon citizens, by

Yukon communities along the route, by First Nations especially along the route and by Yukon citizens as a whole.

Mr. Cardiff: Thank you, Mr. Chair. I have no further questions. I'd like to thank the minister for responding to the questions, and thank the officials for being here in the Legislature this afternoon.

Mr. Fairclough: Thank you, Mr. Chair. I do have one question for the minister.

During the AGM of the Association of Yukon Communities, many of the mayors and councils had all kinds of issues to raise, but one that they were concerned about was the availability of land in rural communities.

I just wanted to know if the minister could provide an update on steps the department will be taking to address the shortage of available land in rural communities in the Yukon.

Hon. Mr. Cathers: Mr. Chair, the government continues to work with communities and that includes areas within the City of Whitehorse, of course, recognizing their role through the official community plan process. That includes support for the city in initiatives such as the Stan McCowan Place lottery, Takhini North phase 1 of the proposed sale, the Whistle Bend and waterfront lots under the city's jurisdiction where we provide some support to them in those areas.

We are also working with various First Nations, including the Ta'an Kwäch'än Council, which has initiated the development of 27 country residential lots on C23-B, located in the City of Whitehorse within my riding, immediately opposite to Hidden Valley.

The Carcross-Tagish First Nation is planning a 32-lot rural residential subdivision on C82-B, just outside the City of Whitehorse boundaries. A number of other areas include these: we're working with the Village of Haines Junction to develop urban residential infill lots and expansion of Willow Acres; working with the City of Dawson to expand the Dome subdivision and new Callison industrial lots; and working with the Teslin Tlingit Council on a joint development of 19 proposed recreation lots.

That is a list of but a few of the projects that are underway. And, of course, with other communities where there are needs and issues, if they have any proposals, I encourage them to contact me directly regarding that. We recognize that it's a general issue of concern out there. We have significantly increased the resources for doing work there.

I would remind the member there remains a Community Services department role for some areas within municipalities, but all municipal land outside is now managed through the new, streamlined land management in Energy, Mines and Resources. Where there are issues of overlap with the Department of Community Services, we will continue to work with them on working with communities in doing those developments.

I hope that has answered the member's question.

Mr. Fairclough: This question was asked of the Minister of Community Services in Watson Lake by the Association of Yukon Communities, and it was also referred that he was not the minister responsible for development of community lands. I can clearly see it does say in the program objectives in this department that this is what the department does. In

fairness, the minister did read off the list just now and the municipalities are of that understanding but are still wanting to see more land available for development and are asking what they can see down the road.

Is there anything major that the minister is doing, the department is doing, to ensure land does become available in rural Yukon? That's their question to government. I know the minister says to get the communities to contact him directly and I'm sure they may, but I think what they're trying to find out are the plans the department has for rural Yukon. I know the minister read out what is taking place and that's all good, but they know this and they're still feeling that we do need a lot more so that their communities can also develop and grow.

Hon. Mr. Cathers: Again, as I mentioned some of the work that has been done, we're certainly not ruling out future work. That's the list of active projects. I recognize it's a general concern. Again, if municipalities have issues, suggestions and concerns, I would encourage them to ensure that they're contacting me or the Department of Energy, Mines and Resources directly to identify their concerns and suggestions — many of which we are already aware of and working on — but if there are any on which they feel that more work needs to be done, I would encourage them to let us know directly and provide us with their suggestions in that regard.

Mr. Fairclough: I will take what the minister said back to the communities. I think what they would like to see is the minister to make that contact with the municipalities. Not every one of them is in the same position but they do want to see development and they do want this direct contact with the minister. If the minister could initiate this move, then I think it would be good for the department too. They want to see government coming forward and saying that they would like to see some lands available or make some lands somehow available in rural Yukon. I ask the minister if he would take on that challenge.

Hon. Mr. Cathers: I think I am just answering the same question that has been asked a different way. The municipalities — again, the offer is out there. We will be doing work where we understand there to be needs. We will be working — officials will of course be in contact with their officials and we will be providing further updates.

I would remind the member, particularly for some of the initiatives that fall under community land planning branch, that is an area that was transferred into Energy, Mines and Resources about five weeks ago. Some of the work will be done as part of that integration. The staff will be seizing that new opportunity to work together collaboratively on doing this work.

They will be working on the issues that are known to exist and the pressures that are known to exist for new lots in areas that have been identified as in most need of that work to be done. And again, if municipalities or non-incorporated communities or citizens have issues, I'd encourage them to contact us directly and we'll entertain their issues, concerns, or suggestions in the appropriate manner.

Mr. Fairclough: I thank the minister for his answers. I'll take that back to the communities that have brought this forward.

I heard two things that the minister said: that their officials will be contacting the municipality officials — that's a good thing; that's what I was expecting, I guess, from the minister. I know the minister, under his program objectives — the department is there to plan for development of residential, commercial and industrial land to meet the needs of rural Yukon and the communities. I will take that message back, and I thank the minister for his answers.

Chair: Is there any further general debate?

Seeing none, we'll proceed line by line on Vote 53, Department of Energy, Mines and Resources.

Mr. Cardiff: Mr. Chair, I request the unanimous consent of Committee of the Whole to deem all lines in Vote 53, the Department of Energy, Mines and Resources, cleared or carried, as required.

Unanimous consent re deeming all lines in Vote 53, Department of Energy, Mines and Resources, cleared or carried

Chair: Mr. Cardiff has requested the unanimous consent of Committee of the Whole to deem all lines in Vote 53, Department of Energy, Mines and Resources, cleared or carried, as required. Are you agreed?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

On Operation and Maintenance Expenditures

Total Operation and Maintenance Expenditures in the amount of \$53,121,000 agreed to

On Capital Expenditures

Total Capital Expenditures in the amount of \$5,038,000 agreed to

Department of Energy, Mines and Resources agreed to

Hon. Mr. Cathers: Mr. Chair, I move that you report progress on Bill No. 15, *First Appropriation Act, 2009-10*.

Chair: It has been moved by Mr. Cathers that we report progress on Bill No. 15, *First Appropriation Act, 2009-10*. Motion agreed to

Chair: Committee of the Whole will now proceed with Bill No. 13, *Third Appropriation Act, 2008-09*.

Do members wish a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 13 — *Third Appropriation Act, 2008-09*

Chair: The matter before the Committee is Bill No. 13, *Third Appropriation Act, 2008-09*. We will now proceed with general debate.

Hon. Mr. Fentie: Thank you, Mr. Chair. I am indeed pleased to introduce Bill No. 13, *Third Appropriation Act, 2008-09*, also known as *Supplementary Estimates No. 2*, this afternoon to the Committee.

By way of preamble, Mr. Chair, the members will have the opportunity very shortly to raise questions in general debate with me and the various ministers who are seeking funding increases. Furthermore, my second reading speech did explain in detail the content of this appropriation bill. Therefore, I do not plan to go into any great detail at this time. However, it is worth reiterating that this supplementary estimate provides two purposes: first, it provides the Legislature with information about the expenditure changes that require additional legislative appropriation authority up to this period of the 2008-09 fiscal year; and second, it provides the general public, and this Legislature, with updated information on the financial position of the government up to this period.

By way of an overview, Mr. Chair, this supplementary budget reflects the projected year-end financial position of the government to March 31, 2009, and as was mentioned in second reading, serves as the starting point for the 2009-10 main estimates.

This supplementary for the fiscal year 2008-09 seeks authority to increase operation and maintenance expenditures by just over \$13.7 million and there is a decrease of capital expenditures by some \$7 million, for a gross expenditure increase of \$6.7 million. The government's revenues, transfers from Canada and other third party recoveries are increased in total by a net amount of \$13.3 million. This results in a year-end forecast annual surplus of just over \$2.6 million — a modest change from the projected \$4 million annual surplus outlined in last fall's supplementary budget.

So, Mr. Chair, I will provide an overview to the changes for the members shortly, but after these revenue and expenditure changes are approved, the net financial resources of the government to year-end are projected to be a very healthy \$151.3 million and the accumulated surplus as of March 31, 2009 is forecast to increase to just over \$579.8 million.

Operation and maintenance and capital expenditures — the \$13.7 million net increase for O&M identified in this budget is derived from a few major expenditure areas; for example, additional costs arising from a revised actuarial evaluation of the MLA pension liability, totalling \$1 million.

Health and Social Services operation and maintenance costs have increased by \$6.6 million and expenses related to recognition of environmental liabilities total \$2.2 million, as noted in second reading. Recognizing this liability ensures that the Yukon government is in compliance with current accounting standards.

The Department of Justice has increased costs totalling \$1.344 million, of which \$452,000 is related to judicial compensation — and this is a requirement, I might add — and \$847,000 covers forced-growth increases related to the police services agreement with the RCMP.

Now, on the capital side of the ledger, budgetary expenditures are showing some significant lapses. For example, Community Services has identified lapses totalling \$1.79 million, of

which \$1.28 million is attributable to lapses to the Army Beach community well project and \$200,000 under the municipal rural infrastructure fund for the Takhini North infrastructure project.

Highways and Public Works has reflected lapses of \$3.5 million related to the expansion of the Erik Nielsen Whitehorse International Airport and \$550,000 related to the Tombstone interpretive centre.

Justice has identified lapses of \$527,000 for the women's transitional living unit and \$3.6 million for the Whitehorse Correctional Centre.

I would encourage the members opposite, before they rise to their feet to berate the government on the lapses, that this is a normal course of accounting as these projects are carrying forward into the next fiscal year. As I pointed out, this accounting and the supplementary budget as tabled provides our start numbers for the fiscal year of 2009-10. Offset by increases, Mr. Chair, which are included in revotes, offset by increases that have been identified under other departments, including items previously authorized by Special Warrant No. 3, this supplementary estimate identifies gross capital lapses of \$7 million. As stated, many of the lapsed funds will be reflected in the 2009-10 capital estimates as revotes later in the year — contributing, by the way, Mr. Chair, to the increased stimulus that we've brought forward for the coming fiscal year.

The ministers for the departments I have named, as well as ministers for other departments, who are requesting supplementary budget approval, will be pleased to provide members of the Legislature with the complete details of their expenditure requirements in the department-by-department and line-by-line review in general debate.

Mr. Chair, it is indeed a pleasure to be able to present this supplementary budget to the people of Yukon that demonstrates fiscal prudence in managing the finances of this government. This fiscal prudence has provided Yukoners with a very strong financial position. Our yearly surpluses and our healthy financial resources position, year in and year out, is a record Yukoners can be proud of. It ensures that in these times of global uncertainty, Yukoners have flexibility to meet the economic challenges that we may face.

The purpose of prudent fiscal management is before us today. Since taking office in 2002, by implementing a cash management approach and by appropriately managing the departments' finances throughout the course of the fiscal year, and indeed in negotiations with the federal government in meeting the fundamental principle of comparable services for Yukon citizens that all Canadians have access to, this territory has advanced significantly in its fiscal position, in the financial options available to it, and indeed provides us the strength required for this territory to meet the challenges of today and the challenges of the future.

So we on this side of the House are very proud of the achievement, and indeed my colleagues and I intend to continue that trend of sound fiscal management as we carry forward. It is essential, Mr. Chair, not only to address the programs and services for Yukoners, to create stimulus in the territory economically, and to build infrastructure for Yukon's fu-

ture needs, but it is essential to building a better quality of life for all Yukoners.

Now, I notice the Leader of the Official Opposition — and bear with me, Mr. Chair; I cannot refrain — I notice that the Leader of the Official Opposition and the Member for Vuntut Gwitchin are deep in a very serious conversation about the budget, I'm sure. I look forward to their comments on the supplementary budget. Indeed, there is much for them to debate with the government side.

I want to make a point, Mr. Chair, that for some time prior to the tabling of the supplementary budget and prior to tabling of the main budget, both capital and O&M estimates for the fiscal year 2009-10, a great deal was made by the Official Opposition specifically, and to some degree by the third party, about the economic situation that the Yukon was in and that, according to the Official Opposition, the government was asleep.

Well, here's an opportunity for the members opposite to provide what I would call the required burden of proof about the government side being asleep, considering the facts tabled before this House. What is very interesting to note is that here we are, with about eight days left — six days left, the Minister of Economic Development informs me — six days left in this sitting — a budget sitting at a time with such global uncertainty, at a time where the world economy is in deep recession, at a time when many challenges were brought forward by the Official Opposition and the third party with respect to managing Yukon through this global cycle.

We have not heard through all those days of this sitting and through all the debate any sound information — any significant information coming especially from the Official Opposition with regard to the Yukon's economic position, its financial position, the investments contained in this supplementary and the investments contained in the main budget.

We've heard a great deal about investigations, about Googling government employees who exercised their right to freedom of speech, about the lack of confidence that the Official Opposition has in the Yukon Housing Corporation.

Some Hon. Member: (Inaudible)

Hon. Mr. Fentie: Well, now, that's a good point that the Member for Porter Creek South has brought forward — sole-source contracts — because we on the government side would like to engage with that member and his colleagues about all the benefits that have accrued to Yukoners because of this government's ability to manage the finances and to provide the necessary fiscal strength, so that bidding for government contracts continues, so that allocation, where applicable, of sole-sourced contracts continues as it has in the past, providing great benefit for Yukoners. Now, we see —

Some Hon. Member: (Inaudible)

Point of order

Chair: Mr. Mitchell, on a point of order.

Mr. Mitchell: Just to clarify for the record, according to Standing Order 19(g) — imputes false or unavowed motives to another member — the Premier said we had expressed a lack of confidence —

Chair's ruling

Chair: Order. There is no point of order.

Hon. Mr. Fentie: Mr. Chair, I am trying to wrap up my comments. Just so we're clear on the record, it was very, very clear that the Leader of the Official Opposition wanted a different approach with the Yukon Housing Corporation, so that there was accountability for the Yukon Housing Corporation. The Minister of Health and Social Services clearly articulated in this House that the government side would be more than prepared to bring in the representatives of the Yukon Hospital Corporation as witnesses here in the Legislative Assembly.

Chair: Order please. Seeing the time, the Chair will rise and report progress.

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

Mr. Nordick: Mr. Speaker, Committee of the Whole has considered Bill No. 15, *First Appropriation Act, 2009-10*, and directed me to report progress on it.

Also, Mr. Speaker, Committee of the Whole has considered Bill No. 13, *Third Appropriation Act, 2008-09*, and directed me to report progress on it.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

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

The House adjourned at 5:31 p.m.

The following documents were filed May 5, 2009:

09-1-92

Fleet Vehicle Agency 2009-2010 Business Plan (Lang)

09-1-93

Queen's Printer Agency 2009-2010 Business Plan (Lang)