

**Yukon Legislative Assembly**  
**Whitehorse, Yukon**  
**Wednesday, March 23, 2011 — 1:00 p.m.**

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

*Prayers*

## DAILY ROUTINE

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

Tributes.

Introduction of visitors.

Returns or documents for tabling.

Are there any reports of committees?

Are there any petitions?

Any bills to be introduced?

Any notices of motion?

## NOTICES OF MOTION

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

THAT this House urges the Premier to confirm that he supports the actions of the Minister of Economic Development, namely the minister's interference with the application process for the Yukon business nominee program.

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

THAT this House urges the Minister of Justice to respond positively to the recommendations from women in the review of policing in the Yukon and to Yukon women by:

(1) ensuring permanent women's representation on the policing council;

(2) establishing a public complaints process that is community-based, accessible, transparent, accountable and has timely reporting;

(3) increasing resources and supports for the public safety of aboriginal women;

(4) committing resources for a legal advocate position to assist women victims of violence;

(5) investigating whether primary aggressor legislation is appropriate for the Yukon;

(6) establishing a sexual assault and domestic violence response team that includes medical support and access to victim services;

(7) increasing the prosecutions of woman assault charges substantially;

(8) establishing a women's court watch project to monitor woman abuse cases;

(9) ensuring RCMP compliance with a civilian complaints model is part of the contract agreement with them; and

(10) enhancing the training and community orientation of Yukon police officers.

**Speaker:** Are there any further notices of motion?

Is there a statement by a minister?

This then brings us to Question Period.

## QUESTION PERIOD

**Question re: Yukon Energy Corporation/ATCO**

**Mr. Mitchell:** Perhaps the defining moment for this government came in the summer of 2009. In June of that year it was revealed the Yukon Party government was involved in negotiations to privatize Yukon's energy future. The public no longer trusts this government, and who can blame them? The extent of the entire government's involvement only became known a few months later when the letter signed by the Premier was made public. The Premier's letter to Nancy Southern, the president of the Alberta company that the government was negotiating with, said, quote: "I have discussed your proposal for partnering on a new entity for electrical generation, transmission and distribution in Yukon with the Government of Yukon Caucus and have full approval to proceed." I'll file the letter, Mr. Speaker. This letter proves the government was all in it together.

My question to the Deputy Premier: why did she support this privatization plan?

**Hon. Mr. Fentie:** The first problem that the Liberal leader has is really about the integrity of this Assembly, this institution. The member knows full well, even by the information tabled by the Liberals that privatization discussions were certainly not taking place.

The member knows from the witnesses who were brought before the Assembly that privatization was not taking place. I think the member should actually get up and apologize to this House and to Yukoners for once again demonstrating the serious lack of understanding of the station of office the member holds.

**Mr. Mitchell:** Well, Mr. Speaker, there's an apology owed, but it's owed by this Premier. It says, "the support of my entire caucus." My question was for the Deputy Premier. The letter said, quote: "I have discussed your proposal ... with the Government of Yukon caucus and have full approval to proceed." The Deputy Premier is part of that caucus. A major question for voters in the next election is: who can they trust? When word leaked out about the government plans, all members of the caucus had a choice to make: they could come clean or they could back the Premier. The MLA for Laberge quit. The Deputy Premier chose another path and proved they are all in it together.

Why did the Deputy Premier go along with plans to privatize Yukon's energy future?

**Hon. Mr. Fentie:** Mr. Speaker, actually nobody went along with privatizing anything. But when it comes to trust, yes, the Liberals do have a big problem when it comes to the Yukon public. The Yukon public cannot trust an opposition that demonstrates this kind of conduct and continual attacks of person versus policy.

All I can say to the Liberal leader is, "Good luck." Much must be answered for in the public domain, and soon the Liberal leader will have that opportunity, standing before the public, defending the conduct of the Liberals in this House and elsewhere, not only in the territory, but in places like the mining Roundup, where they are obviously somewhat confused on what they say here in this institution and what they say to oth-

ers outside this territory. It is a sad, sad display of an elected official.

**Mr. Mitchell:** What's sad is a Premier who thinks that questions of their actions and their policies are attacks. A third time to the Deputy Premier, whose silence is deafening: when she heads out on the campaign trail this spring or this fall, whether the current Premier is leading the Yukon Party or not, she is going to be asked about this issue on the doorsteps. As the Member for Lake Laberge said on his way out the door, it is not about electricity; it is about integrity.

The Premier signed a letter to Nancy Southern and told her, "We're all in it together. We're all on board with privatization." The Deputy Premier needs to answer to Yukoners on why she supported that plan. Will she stand in this House and explain why she signed on?

**Hon. Mr. Fentie:** Even the so-called documents that the Liberals brought forward, in particular, the proposal that the company in question provided Yukon — and indeed, the same proposal provided to the Northwest Territories — was explicit in its approach to a public utility — not privatization.

I don't know what the Liberals' strategy is, if they even have one, but I can tell you, Mr. Speaker, and the members of this House that the Liberal leader and his caucus are all in it together and they have a lot to answer for when it comes to the campaign and facing Yukoners. They have failed Yukoners in being in opposition. They have failed Yukoners in being elected to this Assembly and they have broken faith with Yukoners on every count that is incumbent upon us as elected individuals to represent the public interest. The Liberals do nothing but represent Liberal interest, not the public interest.

#### **Question re: Yukon Energy Corporation/ATCO**

**Mr. Inverarity:** I have a question, or some questions, for the Minister of Justice. The Premier was clear, very clear, in the letter he sent to the president and chief executive officer of the ATCO Group of Companies when he stated, "I have discussed your proposal for partnering on a new entity for electrical generation transmission and distribution in Yukon with the Government of Yukon caucus and have full approval to proceed."

Mr. Speaker, it was stated very clearly that the Government of Yukon caucus gave full approval to proceed. They definitely are all in it together. The Minister of Justice is a member of the Government of Yukon caucus and was also part of these discussions, so will the minister confirm she gave her approval to the Premier to proceed in partnering with the ATCO Group?

**Hon. Mr. Fentie:** You know, Mr. Speaker, what the Liberals don't have is any semblance of a plan for the energy future for the Yukon Territory. The only plan they've got is a historical one, and it's called the Energy Commission's work, and it included a massive expenditure in burning more diesel instead of using green energy — in this case, in the form of hydro. We all know what that's about. The problem here is that the Liberals don't have a plan for energy, electricity or even the simplest form of turning on the lights. All they've got is this ridiculous interpretation of documents that they themselves can't even understand. That's obvious, Mr. Speaker.

Mr. Speaker, the Liberals are all in it together. They've broken faith with the Yukon public. They are not representing an Official Opposition in any way, and most certainly, they could never, ever be a government, because they don't have the ability.

**Mr. Inverarity:** It would be really nice, Mr. Speaker, if we could hear from the Minister of Justice, who the question was directed toward. The Independent/Yukon Party member from Lake Laberge —

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

#### **Point of order**

**Speaker:** Order please. Point of order, go ahead.

**Hon. Mr. Kenyon:** On March 31, the Speaker ruled that the government "...is a collegial body. Any member can stand up on that side and speak to any question. I would just like to reiterate that." Perhaps the Speaker could again reiterate it for the member opposite.

**Speaker:** On the point of order, go ahead.

**Mr. Mitchell:** On the point of order, Mr. Speaker, yes, any member of the government has the right to answer a question but, yes, members on this side have the right to direct a question to any member and point that out.

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

**Speaker:** Yes, it's a collegial body. In this case — strangely enough, there is no point of order; however, both sides are right. It is a collegial body and the opposition does have the right to ask any member they so choose.

Member for Porter Creek South, please.

**Mr. Inverarity:** The Independent/Yukon Party Member for Lake Laberge was a trusted Cabinet minister of this Yukon government. In fact, he was the Minister of Energy, Mines and Resources at the time and resigned, charging that the Premier had been leading caucus and the public down the garden path, leading to the ATCO negotiations.

The former minister was the only government minister who stood up and stated he did not support the Premier's negotiations behind the scenes with ATCO.

We just want to give the Minister of Justice a chance to clear the air on her participation in the secret privatization of Yukon's public energy future. So will the Minister of Justice please confirm that she had full approval or she gave full approval to the Premier to proceed in partnering with the ATCO Group?

**Hon. Mr. Fentie:** Actually, the Yukon Party government does have a plan for the energy future. It's the *Energy Strategy for Yukon*, and that includes seeking out partnerships to build the energy future of the Yukon.

Now let's look at partnerships that we've already entered into. Let's talk about the partnership with the federal government that resulted in \$71 million being invested in this territory in hydro infrastructure by the federal government. Mr. Speaker, Yukon Party government with a plan and with the ability to actually create partnerships, has realized \$71 million worth of investment. What have the Liberals realized in bringing into this territory in the way of investment? Nothing. I think Yuk-

oners will reflect on that when they have to make that choice at the polls.

**Mr. Inverarity:** The minister's silence speaks volumes, though, and the letter states her support for the privatization of Yukon's assets. Mr. Speaker, the Minister of Energy, Mines and Resources at the time resigned, charging the Premier had given the wrong impression regarding these negotiations. From his actions, he apparently was the only one out of the caucus who did not support the Premier's initiative.

The Minister of Justice should stand and tell Yukoners of her support of the Premier on the privatization negotiations and her support for his interference in the department.

Will the Justice minister please confirm, once and for all, that she gave her full approval to the Premier to proceed in partnering with the ATCO Group?

**Hon. Mr. Fentie:** Here is another folly for the Liberals. If they believe that individuals must support each other in decision-making, they are sadly mistaken. The government is responsible to represent the public interest and make decisions as a collective in the context of supporting, representing and protecting the public interest. It is obvious the Liberals have no capacity to recognize or even do that. That is why they probably will never form government, at least in the foreseeable future.

Let us put on the record what are actually the facts. The Liberals are saying privatization. The Yukon Party government and its Energy Corporation are building further assets — multi-millions of dollars' worth of assets for our public utility. That's not privatization. How are we doing it? We are doing it through partnership and armed with a plan and a vision for the future of Yukon's energy needs and challenges.

So the problem the Liberals have got today is they are representing, not in a factual way, the history of this territory when it comes to energy and they have not demonstrated or presented to Yukoners one iota of a plan on how to deal with Yukon's energy future. Yukon Party government is building it.

#### Question re: Policing review

**Ms. Hanson:** Following the one-off announcement in December regarding the Whitehorse correctional institution sobering centre, the Minister of Justice announced another response to the *Sharing Common Ground* report yesterday. It is disappointing that the minister has chosen to respond by incremental steps, rather than a comprehensive strategic response to the policing review. The police council won't be operational until later this year. It is not an independent citizen police commission, which has a degree of power as the NDP and women's groups have recommended. It appears to be a weak advisory committee chaired by a public servant. Its duties are to make recommendations to encourage accountability and to provide input into policing services. In addition, there was no indication that women's representation will be guaranteed as we suggested.

Does the minister agree that two permanent women representatives should be appointed to the police council — one nominated by Yukon women's organizations and one nominated by aboriginal women's organizations?

**Hon. Ms. Horne:** I think the real question here is — what the opposition is asking is, are we committed to the process outlined in the police review?

Yes, indeed, we certainly are. I am the Minister of Justice; I am also a woman; I'm an aboriginal woman. Of course I want the voices of the women heard. We are listening. We've had meetings with the women's groups and we want the council to represent the demographics of Yukon, and that is approximately 50 percent women. Of course we are going to have representation for women.

**Ms. Hanson:** That's great to hear the affirmative response from the minister. Another announcement yesterday was the Yukon's agreement to use the Alberta Serious Incident Response Team, or ASIRT. This was in response to the issue of the RCMP investigating its own members or employees when they are involved in a serious incident. It was identified as a very serious issue by many presenters to the review, including women's groups. It was strongly recommended that an investigative body be civilian, not police-led. The Alberta Serious Incident Response Team is led by a civilian director, but its investigations are conducted by only four civilians, along with 10 police officers, some of whom are RCMP.

How does the minister justify using this body, which will have police officers outnumbering civilians by more than two to one, as a response to the police review recommendations?

**Hon. Ms. Horne:** We did have an outline from ASIRT yesterday morning, and I was very impressed with it. One of the recommendations coming from the Yukon is that, if we are going to have an investigation of the RCMP, that a member of the RCMP not be on ASIRT.

I think we have to wait for the actual plans that we have before we start criticizing.

**Ms. Hanson:** It is difficult to respond when none of the opposition were invited to any of these briefings, so we're having to go on what's in the press release.

The minister also announced a domestic violence and sexual assault coordinating committee, to develop a comprehensive framework and to coordinate the response of service providers. The structure and specific duties of this committee is left to speculation. In the media question period after the announcement, it was clear that no extra funding is allotted to this committee for their extensive work. In fact, it was suggested that extra funding to NGOs for this work might entail double-dipping.

Recommendations from women's groups to the police review called for a legal advocate position to assist women victims of violence. They did not recommend more research or coordinating other services. A legal advocate is a straightforward, practical solution, one that is vital to support women who have the courage to face a court on violence charges.

Will the minister reconsider the establishment of this coordinating committee and, instead, put resources where they were recommended, for a legal advocate for women?

**Hon. Ms. Horne:** We are serious about the police review. We are taking care of women and that's exactly what we announced yesterday.

We have a team within the RCMP that is being developed that will go throughout the Yukon. We want to ensure that violence against women is seen as a very serious crime in Yukon. We want it to be taken seriously. It's going to be treated like any other offence of a criminal nature. When there is an assault against a woman, the location will be secured; we will be sending out a DVAT team — that's a domestic violence team — that will go out to the community or Whitehorse. Each will be treated the same. We are taking this very seriously. We now have a team in place — I don't know if the member opposite is aware of that — to assist a woman who is assaulted to go through the system, to be taken care of by the DVAT. We have that in place now. Perhaps the member opposite should get information on what we have now in place and what we are planning.

#### **Question re: Emergency preparedness**

**Mr. Cathers:** The earthquake and tsunami that hit Japan took thousands of lives and thousands more are missing. It devastated homes and infrastructure and is a reminder that even developed countries can be caught off-guard by nature's might. There is, of course, a limit to how much time we should spend worrying about potential disasters or worst case scenarios, but government and citizens should also take time to consider how prepared we are for events such as earthquakes, forest fires and floods.

Today I have some questions for the Minister of Community Services about Yukon's emergency preparedness.

What capacity does Emergency Measures have to provide emergency radio service, including how many transmitters does EMO have, and how would they be deployed in the event of an emergency?

**Hon. Mr. Lang:** We all in the House feel for the situation we find Japan in today and exactly what the member opposite is talking about today. The Yukon government and the emergency coordinator have an emergency coordination plan that will help ensure that we are ready to respond to an emergency event throughout the territory. Certainly, communication is one of the more important things, to make sure that we have access to communication between our communities, understanding the distance we have between our communities.

Of course, Internet is one of the ways we can communicate. Satellite radio and television are other options. Certainly, EMO has door-to-door visits planned if something really drastic happened; that's how we would get out and actually go to homes and communicate what's going on. We do have the ability within the department — EMO — for temporary radio transmitters, so there is that option too.

**Mr. Cathers:** Both the Minister of Community Services and I have supported and continue to support the growth of Yukon's agriculture industry and development of agriculture that improves food security and facilitates access to markets. Expanding our capacity to locally produce food and store it is the best solution for ensuring Yukon has adequate supplies in the event of an emergency causing disruption to access to imported food supplies. But it will take years to significantly decrease Yukon's reliance on imported food and ability to provide for our own needs in the event of a natural disaster. Will

the Minister of Community Services please tell me whether Emergency Measures stockpiles emergency food supplies and provisions, and if so, what the capacity of those stockpiles are?

**Hon. Mr. Lang:** No, we don't, as a government stockpile either food or emergency food, but we do have a program. I guess what I'm saying is it's very important for us as a community to understand that every family, every unit, should at least have a 72-hour emergency kit available. That is the magic figure — 72 hours where you could be in a situation — that if you found yourself in that, you should be self-sufficient for 72 hours. I recommend that that in itself is very important.

If the member opposite would like to go on the EMO website, it will give him a list of things that an individual or family should have in their possession so they can cover the 72 hours of responsibility because of either the lack of power, the lack of access to food and other questions.

**Mr. Cathers:** I appreciate the minister's answer. I would also encourage him to have Emergency Measures work with the federal government in this area and local food suppliers — by that, I mean both grocery stores and agriculture — to review the need for perhaps reconsidering the Yukon's ability to provide access to food in the event of a disruption.

My final question for the Minister of Community Services — I know the Department of Health and Social Services has a field hospital that can be deployed in the event of an emergency, and that they maintain supplies for that facility. What other emergency shelters or facilities does the Yukon have, who is responsible for deploying them in the event of a natural disaster or other emergency, and how would those facilities be deployed?

**Hon. Mr. Hart:** There is no actual facility that Health and Social Services runs as an emergency shelter; however, in the event of a catastrophe, our first choice would be a reception centre, and this would occur at Yukon College, then the Canada Games Centre, the schools, and, depending on the emergency, the availability of the structure, and also depending on where in the Yukon the catastrophe is occurring. We are using all the structures that the government employs — as I said, either schools or recreation facilities in the smaller communities. We would use those facilities to provide assistance to those in need.

We do provide a 200-bed hospital facility that can be erected anywhere within the Yukon. It is maintained at the Whitehorse airport. It is a hospital that can be transported, and that is the reason it is maintained at the airport — so it can be moved around as quickly as possible, should something happen outside of Whitehorse.

In addition, we use the Beringia Centre as a short-term reception centre, such as during 9/11, until we can determine what the crisis is and where we go as the days go on.

#### **Question re: Yukon Energy Corporation/ACTO**

**Mr. McRobb:** Let's return to the Premier's November 7, 2008, letter to ACTO's president and CEO, because of the serious implications within that letter that Yukoners must know before going to the polls this year. This letter clearly demonstrates the total involvement of the Premier and his caucus in their secret plan to partner Yukon's Crown-owned power company with the privately owned conglomerate from Alberta. The

letter stated he was prepared to move forward with this initiative and quickly resolve internal issues to pave the way for this new partnership. The letter also stated that the entire caucus approved, and this included the member who is now responsible for energy policy in the territory.

So did the Energy, Mines and Resources minister in fact approve, as stated in this letter?

**Hon. Mr. Fentie:** Let's return to some of the things that the Member for Kluane has said in this House. I want to reference something that is a clear example of why Yukoners will check the veracity of everything the Liberals say. It wasn't that long ago in this House the member stood and berated a minister of this government because raw sewage was flowing under a certain trailer in Beaver Creek. Well, as it turns out, while the Member for Kluane was on his feet presenting that question, there was actually a frozen waterline under that trailer and there were two individuals under that trailer fixing the heat tracer tape and changing the location of the pressure tank. Yes, Yukoners will be checking the veracity of the statements from the Liberal caucus.

**Mr. McRobb:** We hold this government accountable, and what do we get? Sewage. Mr. Speaker, Yukoners deserve to hear directly from the Energy, Mines and Resources minister on this matter before casting their ballots. I'm giving him the opportunity now to put on record his formal response to this serious and outstanding matter.

Yukoners deserve to know whether he did in fact give his full support to this secret plan to privatize their energy future. I'll quote directly from the Premier's letter: "I have discussed your proposal for partnering on a new entity for electrical generation, transmission and distribution in Yukon with the Government of Yukon Caucus and have full approval to proceed. A new entity will provide many benefits to Yukoners and to our organizations."

So did the Energy, Mines and Resources minister give his full support? Yes or no?

### Unparliamentary language

**Speaker:** Prior to the Hon. Premier answering the question, Member for Kluane, to refer to another member's debate in this House as "sewage" is astonishingly out of order. The member would be deeply offended if somebody referred to his debate in that realm, and I would ask the honourable member to keep that in mind.

The Hon. Premier has the floor.

**Hon. Mr. Fentie:** Thank you, Mr. Speaker. Well, with that refreshing breath of fresh air from the Member for Kluane in terms of the question, moving away from a trailer in Beaver Creek and what was under it, I must say that no member of this side of the House supported any sort of privatization whatsoever, but we do support the policies as developed by this government. The support for those policies in energy includes partnerships. This is ongoing work by the Energy Corporation and the Development Corporation. I challenge the Member for Kluane to at least look at the mandate of the Yukon Development Corporation. Beyond that, I don't think the Liberals have any semblance of a plan for energy, for the economy, for edu-

cation, for health care, for corrections, for the environment, for the future of the Yukon, so all we get is this constant rehashing of yesteryear and the folly that the Liberals find themselves in when they misinterpret the facts.

### Question re: Yukon Energy Corporation/ATCO

**Mr. Fairclough:** I have some questions for the Cabinet commissioner, another big supporter of the Premier. The Premier's letter clearly states, "I have discussed your proposal for partnering on a new entity for electrical generation, transmission and distribution in Yukon with the Government of Yukon Caucus and have full approval to proceed."

That's in the letter, Mr. Speaker, signed by the Premier. The former minister responsible for Yukon Energy Corporation stated to the board that he knew nothing of these negotiations and would resign. He then changed his mind and the Premier removed him and also replaced him. It is very clear that the whole caucus is in it together.

The Member for Klondike is a government caucus member. Will he confirm he gave full approval to the Premier to proceed in partnering with ATCO Group, or is he muzzled like the rest of them?

**Hon. Mr. Fentie:** What a sad display of an Official Opposition. However, that is their problem to deal with. Actually the Yukon Party caucus is in full support of connecting the WAF grid, is in full support of adding the infrastructure and enhancement of the Mayo dam, increasing our green energy through hydro, is in full support of adding the third wheel at Aishihik, is in full support of ensuring that the Liberals never, ever get close to the office of government, because what a disaster that would be for the Yukon Territory.

The only energy plan that we've ever heard from the Liberals relates to burning diesel and the issue of not using hydro, but use more diesel because of — not public interest — personal interest.

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

### Point of order

**Speaker:** The Member for Mount Lorne, on a point of order.

**Mr. Cardiff:** Standing Order 19(g) — imputing false motives. The Premier just accused the Member for Mayo-Tatchun of doing something for personal interest.

### Speaker's statement

**Speaker:** I think I'm going to have review that, honourable member. I got wrapped up in the conversation and missed it, so I will give you a ruling on that tomorrow.

It is the Member for Mayo-Tatchun's first supplementary.

**Mr. Fairclough:** Mr. Speaker, I think the public wants to hear from the Premier's team on this matter. The Member for Klondike needs to stand up and state his position, not allow the Premier to state his position for him. Come on, let's hear some encouragement on that side of the House. The member had a chance to follow his colleague who sits over here in opposition now. He crossed the floor. He had a chance to stand up and take a position then. Now, Mr. Speaker, we're willing to

give him another chance today and show that he did not support the privatization of Yukon Energy assets. He has that opportunity now. From the Member for Klondike's action, he did apparently support this Premier, with non-answers. Will the Cabinet commissioner please confirm he gave his full approval to the Premier to proceed in partnering with the ATCO Group? Will he do that, or will he be muzzled, like the rest of them?

**Hon. Mr. Fentie:** Oh, what a sad display. Here's a news flash for the Liberals: the Member for Lake Laberge is an MLA and entitled to act in accordance with being an MLA, and the government side certainly doesn't take issue with that. But I can tell the Liberals that the Member for Lake Laberge will have nothing to do with the Liberal caucus, and the Member for Lake Laberge should be applauded for that.

The Yukon Party caucus does support a number of things. It supports the increase of our hydro infrastructure for our Energy Corporation. It supports the policies and the decisions made by this government that have resulted in the lowest unemployment rate in the country. It supports the fact that, by the policies and financial management of this government, we are actually the first jurisdiction to be able to bring forward and table estimates that are balanced, in surplus, with a growing savings account. They actually support such initiatives as correctional reform and education reform.

The Yukon Party team fully supports, as a collective, the work we're doing in protecting and conserving our environment. The team actually really supports the fact that we've improved, over the nine years in office, the quality of life for all Yukoners, and they certainly support our plan for the future.

**Mr. Fairclough:** Well, the Premier said that he had full approval of his Cabinet and his caucus, and we haven't heard that today, have we? The Member for Klondike is going to have to be face to face with his constituents come the next election, which is going to be very, very soon. That member placed a motion on the floor of this Legislature, urging the government that he is part of to continue its policy of non-interference in the day-to-day operation of the Yukon Hospital Corporation, Yukon Development Corporation, and Yukon Energy Corporation. That was his motion. How can he present a motion stating to continue not to interfere, when he clearly supported the Premier's interference in the privatization of at least two of the departments mentioned? How can he do that?

Will the member please confirm that he gave his full approval to the Premier to proceed in partnering with the ATCO Group in a new entity for electrical generation and transmission and distribution in the Yukon, or he is going to remain muzzled by the Premier?

**Hon. Mr. Fentie:** The difference between the Yukon Party caucus — the government side — and the Liberals is that we all, on this side of the House, as a team, certainly can speak for ourselves and we all — oh, I see the Liberals find that very funny.

I think the reason they find it funny is not only can they not speak as a collective; they can't even speak for themselves and Yukoners recognize that. It's evident every day in this House and anywhere you go.

But here's what we support. We support good government, unlike the Liberals. We support our corporations in their operations within the full extent of their mandates as a good government should, unlike the Official Opposition. We support our officials. We don't Google them; we don't attack them; we don't accuse them of putting information in budget documents that are incorrect, and the list goes on.

So I think Yukoners will have a clear choice: the choice of the Yukon Party — its plan and its vision for the future and its history of good government; the lackadaisical, chaotic approach by the Liberals who are simply lost and know absolutely no direction whatsoever, or the NDP who want us all to be equally poor.

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

## ORDERS OF THE DAY

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

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

*Motion agreed to*

*Speaker leaves the Chair*

## COMMITTEE OF THE WHOLE

**Chair (Mr. Nordick):** Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 24, *First Appropriation Act, 2011-12*. We'll now proceed with general debate on Vote 53, 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. 24: *First Appropriation Act, 2011-12* — continued**

**Chair:** The matter before the Committee is Bill No. 24, *First Appropriation Act, 2011-12*. We will now proceed with general debate in Vote 53, Department of Energy, Mines and Resources.

#### **Department of Energy, Mines and Resources**

**Hon. Mr. Rouble:** It's my pleasure today to introduce the 2011-12 main budget for the Department of Energy, Mines and Resources.

I'd just like to take a moment to thank all the hard-working officials within the Department of Energy, Mines and Resources for their good work and contributions in preparing this budget and also the work of our many stakeholders in the af-

affected areas of Energy, Mines and Resources for their contributions, which have helped to shape the budget we have before us.

Our budget for 2011-12 supports the government's key commitment to a prosperous, diversified economy and practising good government. In the Department of Energy, Mines and Resources, our vision is to see a Yukon that is a robust and sustainable area, with an economy founded on responsible management of our natural resources. We'll work toward accomplishing this by implementing an effective stewardship of Yukon's natural resources for the benefit of current and future generations of Yukon people.

Specifically within the Department of Energy, Mines and Resources, our departmental objectives are to responsibly manage Yukon's natural resources and ensure integrated resource and land use; promote investment in and responsible development of Yukon's mineral, energy, forestry, agricultural and land resources; provide strategic leadership for natural resource policy and planning; and support and facilitate the implementation of the *Yukon Environmental and Socio-economic Assessment Act*.

The overall budget for the Department of Energy, Mines and Resources is \$62 million. The operation and maintenance budget is \$60.9 million. The total O&M and capital revenues this year are estimated to be \$29.2 million.

Mr. Chair, I'd like to take a moment to share with members of the Assembly some of the highlights of Energy, Mines and Resources' 2011-12 main budget and outline some of the key initiatives the department is leading. I have a few pages of notes here that I'd like to put on record and hopefully address members' questions before they actually ask them.

Our strong commitment to the Yukon mineral industry and the Yukon economy is evident in the considerable mineral sector growth that we have experienced in the last eight years. To ensure that all Yukoners can benefit from the many opportunities provided by a stable and prosperous economy, we have taken a comprehensive approach to improving the investment climate and establishing a streamlined regulatory regime. Claims and royalty provision amendments to the *Quartz Mining Act* were completed in 2009. The new royalty regulations were also brought into effect in 2010. These amendments enable government to be more responsive to this dynamic and evolving industry and provide direct benefits to claim holders and mine developers.

The value of this work was demonstrated last fall when the Yukon government approved a \$1.4-million contribution by Minto Exploration Ltd. for the construction and operation of an early childhood development centre in Pelly Crossing. The contribution is an allowable expense, enabled by one of the new provisions of the royalty regulations.

Energy, Mines and Resources has worked to ensure that the mineral sectors' business operations are supported in the long term by modern and effective legislative frameworks. In 2009, Energy, Mines and Resources and the Department of Community Services finalized amendments to the *Miners Lien Act*, which modernized the legislation and assists in the ability

for the industry to quantify risk while, at the same time, not diminishing the rights of Yukon suppliers.

In 2006, the Yukon mine reclamation closure policy introduced measures to ensure that new mines are developed and managed in a sustainable and environmentally responsible manner.

I understand that members opposite have questions about the security that's held in this regard. Later in debate today, I will be able to provide that information.

In 2007, the security regulations further clarified the legislative framework for security to provide greater clarity to industry on how to operate in Yukon. Over the long term, these measures are tremendously important for sectors that rely on investor confidence for their investment capital and business growth.

Energy, Mines and Resources has also worked to be responsive to unforeseen issues that challenge the mineral sector's growth in the territory.

This budget includes \$570,000 for the Yukon mining incentive program. YMIP provides financial and technical assistance to prospectors and junior mining companies for mineral prospecting and exploration activities in Yukon.

Members may recall for the last two fiscal years this funding has been temporarily increased by \$1.1 million. The temporary YMIP funding change was a strategic and proactive boost to Yukon's exploration sector at a time when the industry was facing tremendous global uncertainty. Now with our economy strong and Yukon mineral exploration spending reaching new heights, the program now returns to established funding levels. Maintaining the program's funding at its current level will ensure strategic support for a diverse range of grassroots exploration projects. It is important to note that the grassroots discoveries of today establish the foundation for the advanced mineral exploration and development projects that will provide many jobs and benefits for Yukoners in the future.

The Yukon Geological Survey is a key part of the long-term approach to Yukon's mineral sector. This budget includes \$933,000 of strategic investment in northern economic development, or SINED, funding, and this is a combination of capital and O&M for YGS research to support exploration decision-making, infrastructure development, and resource management.

SINED funding supports six key areas, including geochemical surveying, targeted placer studies, surficial and permafrost mapping, information management, geophysical surveying and data mining. It is this type of technical research and baseline data development that has helped to establish the Yukon Geological Survey as one of the most respected surveys in Canada.

The technical information collected, managed and distributed by YGS is a key aspect of Yukon's strategic advantage in natural resource management. Overall, this budget allocates \$39.2 million for O&M for the Oil and Gas and Mineral Resources division. This O&M allocation includes significant support for some of the key partnerships to support the strengthening of our relationships with industry and Yukon First Nations. Part of this is a \$250,000 allocation for the

Yukon Mine Training Association. The Yukon Mine Training Association works with First Nations, communities and industry to provide skill development and employment training for individuals interested in the opportunities available through mineral sector businesses.

Energy, Mines and Resources also provides funding to support the work of a number of industry associations. This includes \$45,000 for the Yukon Chamber of Mines and \$45,000 for the Klondike Placer Miners Association. These funding allocations ensure that Yukon's industry associations are able to effectively reach their members and are able to continue to host important events like the Yukon Geoscience Forum and the Dawson City gold show.

The department's largest partnership allocation is \$1.6 million for transfer payments to the First Nations working to address the historical liabilities at Yukon's abandoned mines. Together with the Government of Canada and affected Yukon First Nations, the Yukon government is working to develop and implement cost-effective approaches to protect the environment and human health and safety at the Faro mine complex and the Mount Nansen and Clinton Creek sites. I understand that members may also have additional questions in these areas and we are certainly prepared to address those later this afternoon.

Overall, funding for the Assessment and Abandoned Mines branch, site reclamation projects in 2011-12 are \$25.2 million for O&M. This funding allocation is 100-percent recoverable from Canada and is based on proposed workplans for the sites. This last part of this budget related to the mineral and oil and gas sector is the work of Energy, Mines and Resources' Client Services and Inspections branch.

Energy, Mines and Resources works diligently to ensure that all requirements under legislation and regulation are enforced in a timely and professional manner. A total of \$5.7 million of O&M has been allocated to client services and inspections in this budget.

Yukon's mining, forestry and oil and gas sectors rely on a proactive and comprehensive enforcement regime. In order to attract investment, reduce liability and ensure fair competition, industry depends on the transparency provided by YESAA and the Yukon government's regulatory regime. The backbone of the regulatory regime is clear, open and effective inspection and enforcement. This is challenging work and I want to pass out a note of thanks to the folks involved in this area.

In addition to the detailed technical knowledge and understanding of a wide range of regulations and industrial practices, operating out of offices in eight Yukon communities, the staff of the Client Services and Inspections branch travel extensively across the territory to inspect and monitor activities. \$851,000 of this O&M budget is allocated to travel, and the bulk of the department's \$75,000 capital budget for operational equipment is for tools, transportation and safety equipment needed for the specialized work of CS&I.

With an increase in mineral exploration and a number of mines starting production, this year's Client Services and Inspection allocation also includes \$390,000 to hire two new inspectors and one mine engineering specialist. Modern resource industries in North America rely on rigorous compliance moni-

toring and the Government of Yukon meets that requirement through its comprehensive and transparent inspection and enforcement regime.

On the sustainable resources side of things, we have many new initiatives worth mentioning and ongoing activities that members should also be aware of. On January 31, we entered into a new era for forest management in Yukon with the *Forest Resources Act* and accompanying regulation. This act and regulation supports viable and sustainable forest-based industries while recognizing the importance of forests to the Yukon way of life. The new regulation includes strong commitments to planning and compliance and provides forest managers with the tools they need to manage Yukon's forest resources for their long-term health. The Government of Yukon worked very closely with the forest industry and other stakeholders, as well as Yukon First Nations and renewable resource councils on the new legislation. The legislation ensures that First Nations and the public have an opportunity to make representations on harvesting licences and timber harvest plans before they are approved.

Mr. Chair, \$3.3 million of O&M has been allocated in this budget for the work of the Forest Management branch. Working with Yukon First Nations to address their specific forest planning and development needs is a key priority of Energy, Mines and Resources. The department is working in partnership with the Kwanlin Dun First Nation, Ta'an Kwäch'än Council and the Carcross-Tagish First Nation to prepare a strategic forest resource management plan for the Whitehorse area. Forest resource management plans provide certainty for the land base facilitate sustainable harvest levels and support economic opportunities in Yukon.

The terms of reference for the Whitehorse area plan have been agreed to by the planning parties and work will soon be underway on the public planning process. In north Yukon this year, Energy, Mines and Resources will work with the Vuntut Gwitchin First Nation to develop a community forest management plan for fuel wood. The community forest will provide the opportunity for a managed and sustainable harvest of fuel wood for Vuntut Gwitchin First Nation and Old Crow residents.

The department is also working on a number of initiatives to address forest management and community concerns associated with the spruce bark beetle infestation.

Over the past three winters, Energy, Mines and Resources has conducted fuel abatement treatments throughout the Champagne and Aishihik First Nations' traditional territory. \$255,000 has been spent on this important initiative over the last three winters. Funding from the northern strategy trust fund will provide an additional \$350,000 over the next three years for additional treatments.

Energy, Mines and Resources is also continuing to support the development of Yukon's important agriculture sector. There are approximately 150 farms in Yukon, representing a total capital value of more than \$66 million. Yukon producers are providing Yukoners with an increasing amount of abundance of fresh vegetables, meats, flowering plants and forage through local retailers. I understand there will be additional



questions regarding our ability to increase our food security and also on how we can increase our access to the great-tasting foods that our local producers provide. I look forward to that debate later this afternoon.

A key part of the support for this sector is the ongoing implementation of the Canada-Yukon Growing Forward policy agreement. The agreement provides up to \$987,000 per year, on a 60-percent federal and 40-percent territorial cost-shared basis. Growing Forward provides the means to implement the programs and initiatives that support development of a profitable and sustainable Yukon agriculture industry.

The Yukon Agriculture branch has been allocated \$1.6 million in operation and maintenance funds in this budget. This year the Agriculture branch will continue efforts to ensure land is made available and successfully developed for agricultural purposes. To increase the farming success rate for planned agriculture land sales, Energy, Mines and Resources has developed a new process for selling land as an alternative to the lottery system. The planned land application process also allows comparison of farm development plans for a particular parcel and ensures that the best projects proceed to sale. The first offering under this process started in December 2010 for three lots adjacent to the Takhini Hot Springs Road agricultural subdivision.

Another Energy, Mines and Resources land initiative is the Yukon Agriculture Land Link pilot project. This project connects land owners looking of alternative uses for their idle agricultural property and those looking for land to start their farm enterprise. Land Link facilitates an opportunity for land owners and prospective farmers to enter a creative dialogue on developing a productive farming operation. This innovative new initiative has the potential to improve agricultural land utilization and provide lower cost opportunities for new farmers to begin production.

Energy, Mines and Resources is also continuing to make land available to Yukoners for community, residential, recreational and industrial purposes. Cumulatively, \$3.5 million for O&M has been allocated for the Land Management and Land Planning branches. In conjunction with Community Services and our municipal partners, Energy, Mines and Resources has worked diligently to meet the demand for land from Yukoners. There are land planning and development initiatives currently occurring in Dawson, Mayo, Haines Junction, Teslin, Destruction Bay, Carmacks, and the Whitehorse periphery.

Energy, Mines and Resources continues to work on land projects with the City of Whitehorse, including future phases of Whistle Bend in 2012 and 2013 and Porter Creek D. Collaboration with the City of Whitehorse as per the *Land Development Protocol* resulted in the successful completion of the Ingram subdivision last year. Land also continues to be made available to Yukoners through the various spot-application policies in place since devolution.

I understand that there will also likely be questions about the industrial land adjacent to the Pacific Northwest site opposite the airport, and I look forward to having an opportunity to inform members opposite of the initiatives that have gone on there.

I do have a number of other items in my introduction that I'd like to put on the record; however, I see that my time has just about expired.

**Mr. McRobb:** I too would like to begin by thanking all the hard-working employees in this department. It's always a pleasure to be part of a briefing with these employees, some of whom we've worked with for over a decade now, and the experience they bring to the table in assisting this department in all of its responsibilities.

The minister may have more opening remarks that he would like to get on the record, but I would invite him to just relate the sections as the questions come up, rather than treating us to another 20-minute speech.

We do have some questions. The ones he referred to were not from the Official Opposition so I presume they were from the Third Party. I have some questions of my own. I think I would like to start in the area of mining because of its significance to today's economy in the Yukon.

As we know, we have current operations and several planned operations in the territory. This is a matter of great interest to Yukoners and would-be Yukoners. What I'm referring to is there are people who will be moving to the territory to find employment, either directly in the mining industry or in a secondary industry that occurs as a result of the current mining boom.

Last week the minister and I took occasion to pay tribute to Shawn Ryan, who was Prospector of the Year, both at PDAC and MER — the Mineral Exploration Roundup in Vancouver. The minister and I and others were all in attendance at the Mineral Exploration Roundup in Vancouver, as were several departmental officials. Mr. Chair, it was quite an occasion last year to see our local prospector recognized for this award. For him to be recognized at PDAC this year for the national award on top of receiving it last year is indeed a special honour.

It goes a long way to how we can develop individuals in our territory with the skills and desire to seek out mineral potential for development. In the case of Shawn Ryan, he is always gracious to point out the excellent assistance he received from the Geological Survey branch staff, who assisted him along the way, from his tin shack to a successful company that now has several promising properties, including having discovered the White Gold area which, in recent times, has been the hottest mining play in the country and has drawn hundreds of millions of dollars of exploration investment into our territory.

Once again, thanks to all the officials and to prospectors like Shawn Ryan for all they've done to help develop our Yukon economy to what it is today.

It was also interesting, to touch on a political aspect, to listen to Mr. Ryan's interview on CBC. He pointed out the main difficulties about a dozen years ago that inhibited him and other miners in the territory, such as the stoppage of the federal flow-through tax regime, the Bre-X scandal and how the junior mining capital essentially dried up everywhere in the country and, in fact, most of the world.

One thought that occurred to me is, gee, maybe it wasn't the fault of the NDP government at the time at all. Maybe these other factors were the real causes. According to the Canadian

Prospector of the Year, indeed, that is the truth. When we hear the Yukon Party government pointing the finger at previous governments for destroying mining in our territory, of course, we realize it's nothing more than political rhetoric. In fact, there were substantial causes at the time, such as identified by Mr. Ryan in this CBC interview.

Now if the minister has any doubt, he'll know that in fact I did order a transcript of that interview, so it's probably on his computer, perhaps even printed on his desk. Maybe that's what he's looking for at the present moment. I don't plan to spend a lot of time on these political arguments, because we all know just what happens there sometimes and it's unfortunate.

I would like to get to some substance. In that vein regarding mining, it's good to see that the minister finally got around to tabling the 2010 annual report of the Yukon Minerals Advisory Board yesterday. Now this is something we called for more than a month ago at the beginning of this sitting, and I suppose the minister might come back by saying that it only became available in the past few days. I don't know what he's going to say, but I will point out this report refers to an upcoming court case in December 2010, so it was written several months ago.

In addition, during our several meetings with key personnel from Yukon mining companies at the Mineral Exploration Roundup, we were advised as to what these recommendations in the report were. The timing of that occasion was, of course, mid to late January. It is now mid to late March, some two months later. We also know that a report like this could be reasonably expected back from the Queen's Printer within a week, maybe even two or three days if it's marked "urgent".

The perception is, Mr. Chair, that this minister really kept this report from us for several weeks, so that only he would be privy to the information it contained. As I pointed out more than a month ago, Mr. Chair, that simply is not a constructive approach, nor is it an accountable approach.

All members in this Assembly deserved to be privy to this report long before now. We deserved an opportunity to properly go through it and assess whether some of these questions should be asked in other forums, aside from Committee of the Whole debate on the main budget. Some of these issues are so important they could have been asked during Question Period because of their topical nature and the need to get on record the government's response.

But that wasn't the case. The Yukon Party government and this minister chose to keep this report secret until near the end of this spring sitting. It was tabled only yesterday and by the time it was distributed, it was pretty much at the end of the day yesterday. Well, tomorrow is the penultimate day of this sitting so, really, this report wasn't provided to all members before there was only two sitting days left in this sitting.

Because this is very likely the final sitting before an election, this delay means that those who are charged with the responsibility of holding this government to account did not have this information in their hands prior to two days before the end of the final sitting prior to an election.

Is that being accountable, Mr. Chair? I think it's reasonable to assume, by anybody's standards, it is not.

Perhaps the minister can start off by advising us when this report became available and, if it was only just recently, then perhaps he can also indicate how long of a delay there was before the order was sent over to the Queen's Printer.

As far as the substance of the report itself goes, there are essentially five key recommendations in this report that are critical for the mining and exploration industry in our territory. What I plan to do is go through these because it is also critical for Yukoners to know the position of their government on these matters. The mining industry, in citing these five concerns, clearly spells out that unless these matters are addressed, the future viability of the Yukon Territory will be greatly diminished. We will go through that in more detail this afternoon.

Let's go to the first recommendation, and I think this is worthy of putting on record in its entirety. This is from the executive summary, part 1: "The most significant issue for YMAB in 2010 is the ongoing concern of regulatory uncertainty, especially following the Yukon Water Board ... decision in the Carmacks Copper project. YMAB recommends YG clarify the role and jurisdiction of YWB and the Yukon Environmental and Socio-economic Assessment Board ..., work with the two organizations to harmonize their processes, and investigate the concept of a process charter. In addition, YESAB and YWB should work to meet increasing demand from industry by adding staff, improving staff experience and stability, and YESAB should implement standard mitigative measures and best mining practices to simplify reviews. Further, defined time frames should be established for adequacy review processes by regulators and assessors."

So I would like, as I'm sure many Yukoners would, to find out where this minister stands on this particular matter.

I suppose the key aspects we would like him to comment on are the recommended harmonization of these two processes.

**Hon. Mr. Rouble:** That was quite a bit of information on a variety of different issues and topics that the Member for Kluane has gone on with in his opening comments. I think it's important to put on the record some of the other comments regarding the Department of Energy, Mines and Resources. In fact, I know that they will answer some of the questions that the member likely has on his notepad in front of him. I'll just continue on to provide some information regarding the energy and corporate policy. Obviously, this was an issue of concern to the members opposite. At least I hope that they're concerned about the same issues in Committee of the Whole as they are in Question Period.

Also supporting Energy, Mines and Resources land management and resource responsibilities, the Corporate Policy and Planning branch has been allocated \$1.4 million in O&M in this budget.

In addition to providing corporate policy services to branches across Energy, Mines and Resources, the Corporate Policy and Planning branch coordinates Yukon government's work on regional land use planning.

The objective of regional land use planning is to provide guidance for the integrated management of lands and resources in order to ensure sustainable development and minimize land use conflicts.

Led by Energy, Mines and Resources, the Government of Yukon is honouring the commitments made with First Nations under the final agreements and continues to support the collaborative work of the parties to the Peel watershed planning process. Energy, Mines and Resources is also working collaboratively toward a regional land use plan in the Dawson region. The Dawson Regional Planning Commission was appointed for a three-year term effective August 1, 2010. The Government of Yukon, Tr'ondëk Hwëch'in, and Vuntut Gwitchin are working together to support the Dawson commission as they begin the planning process.

In addition, the Yukon government is continuing its collaborative relationship with Vuntut Gwitchin First Nation and the implementation of the approved *North Yukon Regional Land Use Plan*. This includes the establishment of a new special management area in the Summit/Bell region and a framework for monitoring cumulative effects in portions of the region.

Another key initiative under Energy, Mines and Resources' Energy and Corporate Policy division is the implementation of the *Energy Strategy for Yukon*.

Developed in consultation with stakeholders, the public and other governments, the *Energy Strategy for Yukon* provides important guidance for how we produce, conserve and use energy in the territory. The strategy ensures that our energy resources are managed in a planned and careful manner. This coming year, we will continue to work to implement the strategy, including the public consultation on a draft net metering policy. A net metering policy is needed to make it viable for electricity customers to generate clean electricity for sale to Yukon's existing utilities.

Also helping to achieve the objective of the energy strategy are the programs and services delivered by the Energy Solutions Centre. Increasing energy efficiency is one of the most effective ways to address high energy prices. The Energy Solutions Centre delivers energy-efficiency and renewable-energy initiatives across the Yukon and distributes information on energy efficiency and renewable energy technology. With an operation and maintenance allocation of \$1.1 million in this budget, the Energy Solutions Centre will continue to lead a wide range of important energy initiatives, including the good energy program.

Providing rebates on the purchase of energy-efficient products, the good energy program is an important element in the Yukon government's efforts to help Yukoners lower their energy costs.

Energy, Mines and Resources continues to contribute to the Yukon government's goal to build a strong and diversified economy that will benefit all Yukoners. We are doing this by providing leadership in energy policy, partnering with First Nation governments, and laying a foundation for a modern resource economy. These efforts are clearly yielding results. As other provinces and territories emerge from a year of economic decline, Yukon and Yukoners are enjoying unprecedented employment and business opportunities.

I would like to once again thank all the staff for their hard work in preparing the budgets and identifying many of the so-

lutions to the issues that have been identified, and I look forward to debating the budget and the implementation of our programs and initiatives with members opposite.

We started off today by once again recognizing individuals who were honoured by the Prospectors and Developers Association.

Indeed, this year Yukoners received the award for Prospector of the Year and for the aboriginal mining executive of the year. Again, my hat goes off to both of those individuals. The recipient of the aboriginal mining executive of the year award — and I'm not sure of the specific title of the award that he received, but I'm sure members appreciate to whom I'm referring — is just today organizing an aboriginal economic development mining and opportunities summit here in the territory. It is drawing companies from across North America, as well as First Nations from across the territory, and also those looking to begin careers in the field.

It's a very exciting time. It was very encouraging to see members from all political stripes at their reception last night to hear about the enthusiasm, the excitement and the long-term interest in the industry. It was particularly encouraging to hear about the additional support services that are coming to the territory — that it's not just about the grassroots operation, but we're now seeing laboratories forming here or additional engineering companies working here, or additional logistic and support companies also calling Yukon home.

It is really exciting to see what is happening in today's Yukon. Much of this is as a result of the progressive policies, practices, legislation and budgetary changes that this government has made. In fact, in their report, the YMAB group recognized that Yukon has made significant progress in many areas.

Also, the Member for Kluane went on to ascribe some comments to a particular individual. I am always reminded, when I hear individuals in the Assembly use Yukoners' names, of the reason why we discourage that practice. That is because they don't have the opportunity to stand up and defend themselves here in the Assembly. I won't put words in the winner of the Prospector of the Year Award's mouth. I'll leave him to comment on the comments coming from the member opposite. I am sure that the member opposite will be informed of the prospector's additional comments regarding practices of previous governments and how they discouraged some of the activities the prospector was looking at.

The member opposite also went on to talk about some of the challenges that were facing not only Yukon but other jurisdictions. I have to remind the member opposite that if he even looked at before there was a downturn in the economy, investors were not looking at Yukon. They were looking to the east, at the Northwest Territories; they were looking to the west in Alaska. We saw significant exploration and research dollars going into those jurisdictions. The practices of the government of the day and issues like the failed protected areas strategy and some of the uncertainty in Yukon very much had an impact on discouraging investment in Yukon.

Now one of the most attractive qualities in Yukon is the certainty and the ongoing work this government has done to

make Yukon an attractive jurisdiction, one that welcomes investment, one that is excited about entrepreneurialism, one that is looking at ways we can all celebrate in the wealth that Yukon has to offer. That's why we've seen changes to budgets, changes to practice, changes to regulation and changes to legislation, whether we look at the changes to the *Quartz Mining Act*, which, as I mentioned earlier, provide for the expensing of a local community economic development amount, which has seen investments in our community like the one that Minto has made by making a contribution to an early childhood development centre.

We've also seen changes to the *Miners Lien Act*, which has recognized the modern types of ownership structures and corporate structures that we're seeing in the resource industry. We're seeing investments in energy, whether it's in the expansion of the Aishihik program or working with the federal government to see an investment in the Mayo B program to expand our hydroelectric capacity. We're also seeing investment in our highway infrastructure to ensure we have appropriate roads that will allow our products to get to market, and also in the investments we are making in educating and preparing Yukoners for Yukon opportunities. Indeed, we have taken a very holistic approach to this. It certainly has not been about lowering environmental standards, because that has not been the case.

It has not been by way of some of the other, more disparaging comments that members opposite have made, but it has been made by a concerted approach by all government departments to work together and to combine efforts — the departments of Energy, Mines and Resources and Environment — to work in an integrated nature.

Again, on the other initiatives I had discussed previously, from Economic Development and their promotion of the industry to the support for energy through the minister responsible, or for the highways work — indeed we all have a collective responsibility to help to nurture the economic engine in the territory, to continue to diversify our opportunities in order that we can build a healthy, productive economy here in the territory.

Mr. Chair, the Yukon Minerals Advisory Board is a very interesting body. It is made up of representatives of Yukon First Nations, mining companies and heavy equipment companies, and it was enacted through legislation in order to provide advice to government. I have, on a couple of occasions now, had the opportunity to sit down and have some very productive discussions with the YMAB group about concerns they have, about thoughts on government policy and on ways that they could see to enhance industry in the territory.

Obviously, with the tremendous increases in exploration that we've seen, our activities are working. We've seen exploration in the territory increase from some — I believe it was \$6 million a year in 2001 or 2002 to well over \$150 million in recent years. As well, this year, we predict that we'll see another record year.

At the same time, we've not only seen exploration growth, but also mine development growth.

We now have three operating mines in the territory. I would suggest that Yukoners recognize the long way we have

come, the benefits that have been accrued because of the changes that the Yukon Party government has made, and they are seeing the impact right now in many facets of life. The growing employment level is certainly an important indicator of that, because we have seen a tremendous decrease in the number of people unemployed in the territory and a huge increase in the number of opportunities. After talking to some of the officials at the opportunities conference yesterday, I was very encouraged to hear about the number of positions that will be coming available this summer. With each booth that I was at, they had been talking about hiring 10 or 20 or 40 or 80 or 150 people in a variety of different positions — everything from someone going out and doing staking, to more advanced exploration, to some of the additional activities, like equipment operator.

There were also many in the support services, looking at the increased need for expeditors, for accountants, for welders, for human resource professionals to really help them meet all their company's needs.

I had the opportunity to meet with YMAB officials last year, when I took over the portfolio of Energy, Mines and Resources. On April 4, 2010, I received a copy of the 2008 and 2009 annual reports. Once again, that was in April that I received the annual reports for 2008 and 2009. Those are the reports the Department of Energy, Mines and Resources has had the chance to really go over, and they are the ones that we're seeing the programs and initiatives in our budget here addressing the issues that were provided to us last spring. We just received the 2010 report, and that was received on March 21.

We did have a good discussion at the recent Roundup with YMAB officials. They had been going through a new process of drafting their annual report. They had implemented a new process where they were working by way of teleconference and e-mail exchange on identification of issues and also working with another individual to draft and put together the report. Earlier at Roundup, we had an opportunity to discuss some of the issues that were becoming concerns to them, some of the issues that have found their way into their annual report and we also had an opportunity to discuss a wide range of other issues that related to the YMAB group.

Indeed, I would encourage future governments to continue working with this group because they do offer a good perspective on many issues. On that note, I should also add that we certainly work with a number of other groups and have invited many other Yukoners to make presentations or representations to government, whether it is working with the Yukon Conservation Society, inviting them to come in and discuss some of their thoughts on energy strategies, or working with the Chamber of Mines or the Prospectors Association or others.

We're constantly out there and I know officials in the department are constantly out there working with our stakeholders in the industry, to talk about how we can best address their needs.

As I've said, we have the 2008 and 2009 annual reports. Those were the ones that were received. Those were the issues that were raised and time to prepare the budget. It's our budget

that is tabled before us that puts forward many of the allocations for expenditure to address the many issues that have been brought forward.

**Mr. McRobb:** There we go, Mr. Chair — another 20-minute speech and did the minister even respond to the question? The answer is no. Yet this government on occasion finds it politically convenient to accuse the opposition side of not getting through the budget debate before the sitting ends. This government accuses us of setting the agenda and so on. Well, we just saw a demonstration of what really happens: a 20-minute speech without an answer to the question.

That's what just happened. Now, I'm not going to go on 20 minutes debating everything the minister put on record, and a lot of it is very debatable, Mr. Chair — especially the praise he gave his government for the current success of the mining industry in the territory. That's what he said. He praised the government's programs and initiatives for bringing back mining to the territory. Nowhere in there did we hear anything about the resurgence of the commodity super cycle. Nowhere in there did we hear about the record high gold prices currently enjoyed. For the record, I believe it's something in the order of \$1,430 per ounce. Nowhere in there did we hear about the beneficial promotion of the territory from the discovery of the White Gold property.

Mr. Chair, as I mentioned earlier, the White Gold property was the hottest mining play in the country, if not the world. The world's attention was certainly put on the significance of this discovery in the Klondike region and that caused a huge staking rush in the Klondike region and elsewhere in the territory. In fact, exploration in this coming year is expected to exceed \$200 million — another record. Nowhere did we hear mention of this White Gold property, which essentially brought it all on. According to this minister, it was the Yukon Party policies that did it. I think we know better.

In keeping with my statement not to belabour this, I'm going to move back to the question the minister completely avoided, which was the question about harmonizing the processes that are currently administered by the Yukon Water Board and the YESAB in the territory.

This is the leading recommendation from YMAB, and it is certainly worthy of discussion in here, even though the minister avoided it completely. We need to know where this government stands on this. The government likes to point out how it's completely mining-friendly. Well, what does it intend to do with this number one recommendation? Instead we hear the minister talk about other groups the government liaises with, such as the Yukon Conservation Society. Well, I am sure if we went over to Third and Hawkins and asked the good people there just how well they are consulted by the Yukon Party government and how well they are listened to, we would hear a completely different story. The minister is trying to soften the public perception of who this government really listens to by the mention of other groups such as Yukon Conservation Society.

In fact, we know reality is completely different and so do a lot of members from these other groups whose concerns and recommendations have been repeatedly ignored by the Yukon

Party. My question is a fair one. Where does this government stand in terms of this leading recommendation from the Yukon Minerals Advisory Board relating to the harmonization of these two processes?

**Hon. Mr. Rouble:** While we only officially received the YMAB report on March 21, there were discussions, as I have stated earlier, with the YMAB group about some of those concerns, one of those being around regulatory certainty.

There are ongoing discussions that Yukon has with a variety of different organizations that I, as Minister of Energy, Mines and Resources have. The member opposite has talked about going over to an office on Hawkins, and I too have visited that office and I look forward to ongoing discussions with officials there, whether it's with their mining specialists, or whether it's with their energy specialists, or whether it's with the executive director. I have certainly invited and welcomed opportunities for ongoing discussions with that group and indeed with others.

When we take a look at the recently released YMAB report, they do recognize that there is an issue of concern to folks within the industry relating to regulatory uncertainty and indeed we saw the issue with the Water Board and with YESAA.

As the government that has been involved with implementing devolution and working with many of the boards, whether they're a federally mandated board, or a quasi-judicial board established by Yukon legislation, we will continue to work with all in order to ensure that we have a strong regulatory process, and one that is fair and expedient. We don't want to see the standards in any way, shape or form lowered. People want to know that there is a high standard. They also want to know where the standards are set, how to meet them and what the ongoing expectations are.

There has been a significant amount of work done in this area. We will take a look at the recommendation here, which is that the government should move quickly to articulate, negotiate and implement a clear definition of the role and jurisdiction of the Yukon Water Board in the context of YESAB assessments in the Yukon government's decision document.

The other recommendation that we should investigate — the concept of a process charter, which sets out the overall assessment and how the regulatory process works, including the role of the relevant bodies.

I'll leave the Water Board discussion to the minister responsible for the Water Board; however, I can certainly inform members that there has been a significant amount of work interdepartmentally between government and the Water Board. We respect the authority and jurisdiction of the Water Board and I think all partners in the process agree that we can work together in order to ensure we have consistent processes that are fair and transparent.

Some of the steps we have gone forth with, while recognizing the jurisdiction of the Water Board — government through Energy, Mines and Resources and other affected departments have worked on an interdepartmental working group that includes the Mineral Resources branch, Water Resources branch of Environment, the Water Board Secretariat and the Development Assessment branch. They have all been working

on a licensing process initiative that has identified a number of areas where we can streamline assessments and regulatory process, as well as clarify roles and responsibilities between Energy, Mines and Resources and other regulators and assessors.

There is a dedicated position being created to track and coordinate these initiatives, co-funded by Energy, Mines and Resources, the Water Board Secretariat and the Development Assessment branch. We are working conjointly to develop adequacy guidelines for water licence applications. We are working on an integrated application form. Members will also recognize that the YESAB folks are also working on project-specific or sector-specific integrated application forms. We all want to ensure that we are collecting the appropriate and necessary information, and if we can do that in a cooperative process that would be better for all involved. We are working to develop a more integrated application form process that will also meet the requirements of YESAA, the quartz mining and the water licensing process. There is activity being undertaken by the groups affected to map out in detail the process for technical advice at different stages during assessment and regulatory applications.

That has been an issue that has been raised by some — that some applicants did not know at what point in the process to provide information. I have heard some concern that they did have people that were there to provide information, only to be told that sometimes during the process, “Well, this isn’t the time to hear that level of detail. We’ll need to hear that at another time.”

We’re working through a process to ensure that we’re asking the right questions with the right level of detail of the right people at the right time in the process.

There is work being done to develop a process map clarifying roles and responsibilities of Energy, Mines and Resources and the Water Board. Indeed, that is a specific recommendation that has been put forward by YMAB that is receiving the attention of government already. The various affected entities are working together on this. I look forward to having more to communicate on that later this spring.

We’re working to ensure communications and information to proponents — YESAB and other decision bodies and YG departments reflect the revised processes. We are also looking at establishing benchmarks and performance measures for current licensing process steps and targets for improvement. Again, these are initiatives that are being undertaken right now. They are supported by the budgets going forward from the various departments, whether it’s the Executive Council Office, Environment or Energy, Mines and Resources.

We have paid considerable attention to the need to streamline the regulatory process. That in no way diminishes the integrity of the process. What it does do is allow the proponents of projects to make timely decisions, to have a greater certainty of process, so that they have greater understanding of the application process and what all is necessary in order to complete the process in a timely manner.

But we certainly realize the benefits of all of us working together to ensure that we have appropriate systems that meet

the needs of the various stakeholders we have and are affected by the decisions of all of these bodies.

**Mr. McRobb:** Well, Mr. Chair, if in fact what the minister just said is true, then why does it take the approach of telling everybody to take it to court to resolve these issues? That’s where this issue we’re currently discussing ended up, and the government took a side in that case. But today we’re discussing the YMAB recommendation with respect to its top concern.

I would describe the minister’s response overall as soft-peddalling the concern identified by YMAB, while hard-peddalling what the government is doing about it. I’ll go into some detail.

First, on his soft-peddalling the concern — let’s just read the opening paragraph from the section on regulatory uncertainty. I quote: “The issue of regulatory uncertainty is perhaps the most serious to face Yukon’s mining industry in a number of years, in particular because of new developments in 2010. After many years of low rankings, Yukon has finally begun to make progress in respective regulatory attractiveness. However, several key issues threaten to undermine these positive developments and represent a significant step backwards in respect of regulatory certainty and timelines. This has the potential to result in investment dollars simply going elsewhere, to the detriment of Yukon, its economy and its citizens.”

According to the top private sector people associated with the Yukon’s mining industry, this is a very serious matter. Do we hear the minister respond to it as such? No. The minister has soft-peddled that concern, and that’s what we’re taking issue with.

Furthermore, the executive summary of this same report says, and again I quote: “Without immediate attention, these critical concerns threaten to constrain the sustainability and growth of the Yukon mining industry, erode Yukon’s investment attractiveness and diminish the territory’s overall economic wellbeing.”

If I may paraphrase, the mining industry has cited what it deems to be a very dire concern. The minister is not responding in kind. He’s dismissing the importance of this concern. We would like to know what his position is on harmonizing these two processes. Part of the reason we’re very interested, as a lot of Yukoners are, is because it’s typical for this government to have a predetermined approach and then unleash it at some future time that is politically opportune.

That’s why I’m bringing it to the floor this afternoon — to try to flush out that position.

I believe the Yukon Party has already developed a position on this. Whether it does it before the election this year, which is very doubtful, or, heaven forbid, should it be elected for a third term, do it immediately after — well, in that sad event, of course, that would be more politically opportune and expected from this Yukon Party government to do that.

The question here this afternoon could be the only time this minister is ever asked about this particular issue on record in this Assembly, given we only have two sitting days left. Today, we’re debating his department, Energy, Mines and Resources.

We need a response to this high-level question. Now, the minister went on to recite a list of things his government is doing, supposedly addressing these regulatory concerns. But they didn't address the key issues identified in the report.

I'll get to that next, but first we need a response from this minister on his position on the harmonization of the two processes.

**Hon. Mr. Rouble:** It's always an interesting process listening to the Liberal critic in debate. It's always interesting seeing his version of reality. I've got to say it's frustrating to enter into a debate when, after one provides information in a genuine manner about activities that are being undertaken to address a concern, we hear the phrase, "If in fact this is true." Well, I really question the point of debate here today. If the member opposite believes or disbelieves the comments that I'm putting on the floor here and characterizes them with his shadow of a doubt here and characterizes them as "if in fact this is true," well, then what's the point? The opposition has made up their mind already. They decided to vote against this budget long ago.

They've decided on a strategy of taking a contrary position on everything. They ask questions and then complain when we answer them that we didn't answer their question and we hear a litany of political rhetoric. We hear the member opposite put words in my mouth, characterize my attitude, and I believe he even used the word "dismissing." Mr. Chair, it's particularly frustrating, given that I'm on the floor speaking to an important issue and I've identified the proactive steps that the government is taking to address the issue. Instead, we hear from the Liberal Party their conjecture, their hypotheses, their conspiracy theories, their insinuation, their personal characterizations. I would suggest that it's the Liberal Party that's not taking this seriously.

The YMAB report included a recommendation to create a process map to establish the variety of roles and responsibilities through the water licensing process through the Water Board, with the quartz mining licence, with Energy, Mines and Resources, and also with the YESAB process. I've put on the record how we've established proactively an interdepartmental working group to address the concerns. I have stated on the floor here that we are working to provide such a process map, a flow chart if you will, of the whole process that the different decision-making bodies and the different assessment bodies have a role in, one that identifies the opportunities for consultation, for additional information on understanding the overall process of project completeness, of having met the criteria necessary to be considered.

I've talked about how we are working conjointly, respective of each other's jurisdiction to ask common questions, to come to common recognition of adequacy, so we can address all the interests of the variety of stakeholders. We have put forward a plan; I've talked about how it's resourced in the budget. When we get into line-by-line, I can identify the specific areas. The member opposite has simply dismissed it and even questioned the veracity of my statements.

If that's the attitude, then let's move on to another department, because if they're not going to believe the comments I

put on the record here today, we know they've made up their minds, we know they've made their decision, we know they're going to take a contrary approach to this, and I know I'll hear another exchange from the Liberal critic on his views on this.

We've taken this issue seriously; we've worked on an interdepartmental approach.

Even though we received the document on March 21, we were aware of the issue, worked proactively in our budgetary process to ensure it was going to be addressed and have tasked officials with working on this. We have taken the issue to heart. We have allocated resources, allocated people and set expectations. I look forward to the work and the progress of all of the entities involved in order to address the situation.

**Mr. McRobb:** I'll again invite the minister to move beyond the political rhetoric. Let's go to the specific recommendations. Recommendation 1 in this particular chapter — and I'll quote it: "Yukon government should move quickly to articulate, negotiate and implement clear definition of the role and jurisdiction of the YWB in the context of YESAB assessments and YG Decision Documents on projects. The role and jurisdiction of both the YWB and YESAB must be made explicitly clear and unambiguous."

What's the minister's position on this? What's he doing?

**Hon. Mr. Rouble:** The work that I have outlined clearly demonstrates our commitment to addressing this issue. I don't think I need to answer the question again to provide the list of issues over and over and over again. The member opposite can take a look at what I put on the record and see that it clearly reflects our efforts, our activities in this area and our efforts and commitment to accomplishing the interest that was identified in the YESAB report.

**Mr. McRobb:** Let the record show the minister had no response for this first recommendation. Instead he referred to what he has already put on the record, which did not address this particular issue.

Let's go to the second one, and again I quote: "YG should investigate the concept of a process charter, which sets out how the overall assessment and regulatory process works, including the roles of all relevant bodies."

What's the minister's position? What's he doing?

**Hon. Mr. Rouble:** The Government of Yukon is creating a process charter, which sets out how the overall assessment and regulatory process works, including the roles of all relevant bodies.

**Mr. McRobb:** Well, that's no answer, Mr. Chair. We did not get any specific actions the minister is doing or a clear position on that matter.

Let's move to another recommendation and again I quote: "YESAB and the YWB should look at increasing numbers of staff and improving experience and stability of staff to deal with increasing demand from industry."

Mr. Chair, again if I may paraphrase — this is often referenced as being "properly resourced" and it's a concern we heard from several representatives of the Yukon mining industry at the Mineral Exploration Roundup. So what is the minister's position on this and what is he doing?

**Hon. Mr. Rouble:** I can't accept the member opposite's interpretation of my response. Just to clarify for the member opposite, the Government of Yukon is creating a process charter that will set out the overall assessment and regulatory process working steps, including the role of the relevant bodies.

In order to accomplish that, an interdepartmental working group, comprised of the Mineral Resources branch, Water Resources branch, Water Board Secretariat and the Development Assessment branch have begun working on a licensing process initiative that has identified a number of areas where we can streamline assessment and regulatory processes, as well as clarify roles and responsibilities between Energy, Mines and Resources and other regulators and assessors. There is a dedicated position being created to track and coordinate these initiatives that is co-funded by Energy, Mines and Resources, the Water Board Secretariat and the Development Assessment branch.

We are taking this recommendation seriously. Officials have been tasked to address it. There have been discussions of senior officials between the affected entities. They have established plans to go forward and respect each other's jurisdiction, but also to work together on how to do this process. This has been funded through the budget that we see before us.

The member opposite asked me about staffing levels with YESAB, which is a federally funded entity. I understand from discussions I have had with them, that they have increased people in their office, and that there is some transition in some positions, as is the nature for every entity out there.

We are working with the federal government and Yukon First Nations on the five-year YESAA review. Obviously, the issue of adequacy and resources from the federal government to YESAB is a concern and a fiduciary responsibility that we will certainly discuss with the federal government.

I have indicated to the member opposite an increase in staffing within the Department of Energy, Mines and Resources. In my opening comments, which the member opposite wanted to dismiss, I mentioned the increase in our client services and inspections role. We have outlined how we will continue to ensure that projects are appropriately reviewed, appropriately assessed, appropriately permitted and appropriately monitored and inspected during the lifetime of the project and also ensure the appropriate decommissioning of the project area.

Does the member opposite have any other questions, or should I just go on to the next recommendation from YMAB and indicate how we're responding to that one?

**Mr. McRobb:** This might surprise the minister, but I thank him for his more detailed response to that question. I'm not sure if he included the Yukon Water Board in his response, because the chatter in this Assembly reached a point where it was difficult to hear.

Let's move on to the second recommendation at the bottom of the page, and again I quote: "YESAB should increase its capacity through the implementation of standard mitigative measures and best mining practices." What's the minister's position on that and what's he doing about it?

**Hon. Mr. Rouble:** I will share the member opposite's concern with YESAB. Also for the member's edification, I'll let him know that Department of Energy, Mines and Resources staff is working with YESAB on standard mitigative measures and best mining practices, and we're currently working with industry on this, too.

Just for the member opposite's interest, I would encourage him to take a look at the best practices manual that the Yukon Chamber of Mines has recently released. The best mining practices manual is produced by the Yukon Chamber of Mines. It's not a Government of Yukon document, but it's certainly a very informative one and one that really illustrates the proactive nature of the companies working in our industry today.

As I said, I will share the member opposite's concern with YESAB. I've already committed to addressing this concern with Government of Yukon's involvement on the five-year review. If the member opposite feels this is an appropriate time to go into a bit more of a thorough discussion about our integrated resource management approach, I'll leave that up to him to provide some direction on that.

I can say that we have taken these and other concerns seriously as we do all concerns of all Yukon stakeholders. It isn't simply the YMAB annual report that the Department of Energy, Mines and Resources eagerly analyzes and digests; we also appreciate the input and recommendations that we get from other Yukoners, other interest groups, other entities, other governments. We take their considerations into thought when we're preparing the budgets and the practices and policies that we are debating here today.

We will continue to work with YESAB on addressing those issues. One will realize that although YESAB is a fairly new entity, they have a very good track record. They have concluded over 1,000 project assessments. There have been certainly a couple of issues. I would suggest that is par for the course with any new entity that comes on board, certainly one with the complexity of nature, one that is as far-reaching and as involved as the YESAA process is. I am very glad to see and very glad to be part of the current government that works proactively with this agency in order to ensure we are appropriately working together.

As I have indicated for the member opposite, we certainly recognized the jurisdiction of other entities, whether that's the Water Board or whether that's YESAB or whether that is other orders of governments. But we certainly accept and appreciate that we have an opportunity and, indeed, an obligation to work together as best we can and ensure that we make best efforts to provide appropriate working relationships so that we can address all of our combined interests in an efficient and effective manner.

**Mr. McRobb:** All right. I thank the minister for that response. I again give him some credit. I think his responses are improving with respect to actually answering the questions. I fully expected him to reference the best mining practices manual. As he knows, we on this side of the House were represented at the event when the manual was publicly released. I'd like to thank everyone involved in the writing of that manual and in the process.



I believe the principals of writing the document, if memory serves me right, were Messrs. Duke and Jilson, and they are to be congratulated for this work. Just on that point, this is another aspect we heard at the Mineral Exploration Roundup in Vancouver — especially for newcomers to the territory, who are choosing to engage in placer mining, staking, possibly work on the ground — and that is the need for these people to be familiar with the territory's accepted mining practices.

The mining industry does not want to get a black eye from people out there who are unfamiliar with accepted practices in the territory. Once again, congratulations to people involved in the development of that manual.

Back to the recommendations — there are only two more in this section. Since I gave the minister praise on the quality of his recent responses, I'm expecting him to follow suit with number 3, at the bottom of the page, which reads, and I quote: "YG should work with YWB and YESAB to coordinate and harmonize their adequacy and review processes, preferably with a single adequacy step for both organizations."

What is the minister's position? What is he doing?

**Hon. Mr. Rouble:** I thank the member opposite for his sincere flattery. As I mentioned earlier, in a previous response I provided some details about the work that the Government of Yukon was doing with the other entities and other assessment areas, respective of the jurisdiction of the bodies. Respective also of the federal responsibility with YESAA, we are continuing to work in a proactive nature in order to develop appropriate adequacy guidelines for water licence applications.

That is done certainly recognizing the authority and jurisdiction of the quasi-judicial board that is the Yukon Water Board. I'll mention to the member opposite that the responsibility for the Yukon Water Board is held within the Executive Council Office. It's the same minister who is responsible for that area so he should also direct his questions in that vein as well. I will remind the member that I committed earlier to the government and the different entities working together to develop appropriate guidelines, common expectations, common understandings of adequacy and also on working together to provide an integrated application form. Once we have conducted our work with the Water Board, then we will take that process also through to YESAB at the appropriate times for interventions when there is the review opportunity, as well as ongoing dialogues between me and officials with the board or with departmental staff and their departmental staff.

It's not just the member opposite who has read this document with interest, but indeed all in the Yukon who are concerned about developing a strong sustainable industry, one with a strong regulatory framework, are interested in this document and we're all committed to working collaboratively to address the interests that are identified.

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

**Hon. Mr. Rouble:** I'm reminded that we're all in it together, Mr. Chair.

We have no intention of seeing any kind of reduction of standards, of reducing environmental considerations. We all want to ensure that we have a strong regulatory regime. What we want to work on is ensuring that people know what the

standards are to be met, the best possible way of achieving them and how they can go through the process in an efficient, effective and timely manner.

**Mr. McRobb:** About the most I could be generous with is maybe half a point for that, Mr. Chair — half a point because the minister avoided the critical aspect of the single adequacy step for both organizations and the harmonization of adequacy between the two bodies. Maybe he's interested in regaining that lost half point and he can feel free to do that in his next response to item 4 at the bottom of the page, which reads, "Defined timeframes should be established for adequacy review processes by regulators and assessors." What's his position? What is he doing?

**Hon. Mr. Rouble:** I expect that, in the good work our officials are doing in a multi-departmental, multiple entity, multi-governmental approach to this, that that will be one of the considerations that they will address in their work.

**Mr. McRobb:** Well, I don't know how charitable I can possibly be in rating that one. I think it is pretty much a zero. The minister stood up and just absolved himself of any responsibility to do with this key recommendation and clearly shifted this burden on to the other bodies. Many Yukoners, including the members of YMAB who wrote this report, know differently. That is why it is included in here as a key recommendation. The minister also failed to go back to try to regain the missing half a point from the previous one, so let's just let the record show that.

I do want to move on. Let's go to the next section, entitled "Access to Land". This is the second of five key recommendations in the report. There is a plan referred to that has a long name. In fact, the acronym is even long. So I'll just refer to it as a plan. When I say "plan", that refers to what is called the "Recommended Peel Watershed Regional Land Use Plan". Forgive me for the brevity, but if we all know what is being referred to, then it should be fine.

A number of concerns are identified in the YMAB report with respect to the plan. It includes three recommendations. So, starting with number one — and again I quote — "Due to the numerous and significant concerns with the RPWRLUP, YMAB recommends that YG," which is Yukon government, "in consultation with the respective First Nations, either reject or significantly vary the draft plan to deal with the concerns with the plan expressed by numerous affected parties."

So again, what's the minister's position? What's he doing?

**Hon. Mr. Rouble:** I'm going to try to help out the Liberal Party here a little bit and try to expedite some of our debate today because if it's the Liberal Party strategy to go through this report point by point and ask how we're going to respond to each of these different thoughts or considerations or issues or concerns, well, what I could endeavour to do is to provide the member opposite with a copy of the response that's provided to YMAB. Rather than just go through this in budget debate, when we do have a tremendous range of activities going on through Energy, Mines and Resources — whether it's in energy work or the green energy programs or some of the issues around agriculture, forestry — we do have a tremendous breadth of issues to go through. If the entire debate today is

going to be focused on one annual report from one entity, I would find that very narrow and a very narrow approach.

I mean, the Government of Yukon is responsible to Yukoners in general, and we have a multitude of programs to address their ongoing needs. There will be a response to the Yukon Minerals Advisory Board and that will be going out in the future.

Again, the document and the letter of transmittal came in on March 21, so it certainly has not been totally digested and analyzed. General issues were brought forward at recent meetings with YMAB officials. There was a discussion about the draft of their document. That is why we were able to address some of their concerns that were expressed in the document. I should also add that these are issues that are not just specific to YMAB, but they do come up from others, whether they're individuals, or other companies or issues that are brought forward from departmental staff.

So I'll just try to save some time and say that I will endeavour to provide a copy of the response after it is prepared and will provide that to the members opposite.

**Mr. McRobb:** We're debating this today because we in the Official Opposition choose to debate it. It's not up to the government to tell us what our questions should be. I'm not the Member for Lake Laberge. I'm here to ask some tough questions and questions of importance to all members of this Assembly and Yukoners in general.

The minister at first offered to table the government's response to the YMAB report, but then later on indicated it wasn't even prepared yet. In either case, we would not forego our questions today before reading that response. We would need to see if the government's response adequately addresses the recommendations and satisfies our questions.

We need to proceed with these questions and, in that respect, the minister again deserves a zero in his response to the first recommendation. He did not address the question put to him.

He did not address the question put to him, so let's go to the second question. It is important to get these on the record, so once again I will read verbatim. Recommendation 2 says, "YG should re-examine and confirm the mandate, direction and limitations established for land use planning commissions to ensure that: an appropriate balance of environmental, economic and social interests are taken into consideration; LUP composition is representative of Yukon; LUP commission members understand their mandate and are committed to act within it; LUP commissions ensure the timing of consultations, allow for full participation by the mining industry, as well as other sectors of the economy with a vested interest in the outcome of the LUP."

The minister can't sideline the responsibilities to another department. The responsibility for land use planning is clearly within the Department of Energy, Mines and Resources, so again, what's his position? What's he doing about this recommendation?

**Hon. Mr. Rouble:** Well, it seems that the Liberal Party has chosen to take our time in the Assembly here today to debate the YMAB report rather than choosing to debate the

budget before us. That was a clear statement coming from the member opposite. I don't know — when I saw the Orders of the Day today on our legislative calendar, I saw that budget debate was identified and the allocation of government resources. I guess if that's how the opposition chooses to direct debate, we have to recognize that and live with that. The opposition has made many choices so far in this sitting. I'm reminded that they're not all good. We've had days where we have debated legislation that even the mover of the legislation had no intention of passing. We've had days of debate where the questioners have gone on for 10 or 20 minutes and we have to often ask ourselves why.

What's their intention in doing this? Is there some hidden agenda? Then, we're reminded that members opposite keep getting up and giving answers. Well, I would suggest that as long as the members in opposition keep asking questions, we'll keep giving answers. I always am encouraged to hear how, after hearing 10 ten-minute questions that we're chastised for wasting time in the Assembly.

Since the member opposite wants to go into more debate about the YMAB report that was received earlier this week, so be it. Now he has turned his attention to the issue of land planning. I will remind the member opposite that the responsibility for land planning is as a result of the final agreements signed with the Yukon First Nations, that we have an extensive terms of reference within the final agreement, that within the Yukon Land Use Planning Council there is a terms of reference, and that for each land use planning commission that is established has terms of reference put forward.

That's where we take the direction in conducting the land use planning activities in the best interests of all Yukoners. These processes are further refined and defined by letters of understanding, workplans and calendars. I will direct the member opposite on this one to take a look at the Land Use Planning Council's website and to take a look at the website for the Department of Energy, Mines and Resources. For this particular land use planning process, he will see the drafts of reports; he will see terms of reference; he will see the recently renewed letter of understanding between the Government of Yukon and affected First Nations; he will see the workplan that is put forward, including the schedules, the expected timelines and time frames and many of the activities for receiving information from the Yukon public to see how the interests of Yukon are addressed in these processes.

We appreciate receiving comments from YMAB and from others on the planning process.

Indeed, during the planning processes, there are many opportunities for public input and for the input of those affected. We encourage people to continue to be involved in these processes, and we are continuing to work through these issues. As the members opposite know, this issue is in the hand of the commission right now, and we look forward to their thoughts, their ideas and their renewed plan that addresses the concerns that have been brought forward by the governments affected by it.

**Mr. McRobb:** Why don't we take the break now?

**Chair:** We can take a break. If members want to break, we can take a break. Committee of the Whole will recess for 15 minutes.

*Recess*

**Chair:** Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 24, *First Appropriation Act, 2011-12*. We will now continue with general debate in Vote 53, Department of Energy, Mines and Resources.

**Mr. McRobb:** We're anxious to resume the debate after that lengthy break. First of all, I want to respond to the minister's dismissiveness of the subject matter of this afternoon's debate. At the outset, I made it very clear that mining issues are of great importance to Yukoners, especially at this present time. Furthermore, the importance of the YMAB members should be indisputable, so the recommendations must be taken very seriously. Thirdly, this is general debate and, as the minister well knows, in general debate any question is permissible, as long as it pertains to the department that is called for debate. As pointed out already, this Department of Energy, Mines and Resources has everything to do with mining issues. The minister knows this, yet he continually gets up and questions the need to debate this one report.

This is a very significant report and it was only tabled yesterday. This is the first chance we have had to look at it, and this is the proper forum to ask questions related to this report. This is pretty much the only forum I am aware of where we are given an opportunity to ask questions and follow up with as many questions as we like on a particular matter. In addition, Committee of the Whole is supposed to be a more cooperative debate than, let's say, we have in Question Period where cooperation is pretty much non-existent.

I recall the days when the Yukon Party was in opposition and its member — its sole member at the time — from Klondike would question for days on a single issue like the Dawson City Airport. That in fact happened on more than one occasion where, for several days, he would question the relevant minister on the Dawson City Airport. We know he had first-hand knowledge because he owned a plane at the time and he was very familiar with those issues.

But he would take the time of the House to continuously question the minister about this one matter. Is this debate this afternoon like that one? Absolutely not, Mr. Chair. First of all, this debate is about matters of great interest to pretty much all Yukoners, whether they're pro-development, pro-environment or somewhere in-between. We're trying to flesh out the position of the minister on these issues. We're trying to find out what the minister is doing in response to these recommendations.

Again, discussing mining in the territory is very opportune in terms of where the industry is at and where we would like it to go. The YMAB report talks about the timeliness of deciding and acting on several of its recommendations. It talks about the significant challenges. It talks about critical concerns. It talks about these matters that, if unresolved, will constrain the sus-

tainability and growth of the Yukon's mining industry, erode Yukon's investment attractiveness and diminish the territory's overall well-being. Within the context of the importance of subject matter between this afternoon and the example I just related, I would say this topic should rate head and shoulders in terms of priorities over talking about the Dawson City Airport for several days.

Again, this is general debate. These matters are policy related to this department. Any policy-related questions are fair game, as you know. A lot of these issues are related to the resources of the department. A lot of these issues have budgetary connections. Let there be no dispute about the adequacy or relevancy of this line of questioning today.

I would further add that not a lot of Yukoners have access to this report. I'm afraid not enough Yukoners will have access to this report before they cast their ballots in the next election or even preceding that, to have an opportunity to question candidates in their ridings on some of these issues. So it's important to get some of the content of this very important report on the record, in addition to the minister's position, and find out what he's doing in response to each of these issues.

You know, Mr. Chair, I checked on-line for this report last night and couldn't find it on the department's website so I'm hoping it is placed there in the very near future so that more Yukoners will be able to access it.

Let's go now to section 3, which is entitled "Resource Revenue Sharing." This is already being the subject of some discussion in this Assembly. It has been asked about in Question Period.

I believe there was a motion debate one afternoon on it and there have been several press releases on it, in fact — I believe from each of the parties represented in this House. It's a very important issue. We've seen letters to the editors relating to it. It's an issue that not only relates to the territory's future finances, but it touches on a number of principles important to Yukoners, especially in that people want to see the benefit to the territory maximized from resource extraction within our borders.

The preamble to the recommendations provides background. I won't bother putting it all on the record. As a matter of fact, I think just the final paragraph would be sufficient. If I may be permitted to read it verbatim, it is as follows: "The federal government has demonstrated that it is willing to consider a new model of resource revenue sharing, so the time for change in this regard is ripe. The objective for such discussion should be that First Nations and YG should be able to realize net incremental gains in financial benefits resulting from natural resource developments, including mining projects, as compared to the current fiscal arrangements. YMAB notes that the current economic climate and active interest in Yukon exploration makes this an ideal time to pursue a more equitable sharing of resource revenues."

Let's go to the first recommendation, which reads: "YMAB encourages YG to pursue negotiations with the federal government in respect of resource revenue sharing with Yukon First Nations and Canada to ensure more equitable arrangement

that will allow First Nations and YG to realize net fiscal benefits from the development of natural resources in Yukon.”

What’s the minister’s opinion? What’s he doing about it?

**Hon. Mr. Rouble:** Yes, I certainly appreciate the importance of this issue. It’s important for Yukon to benefit from Yukon’s resources, and I appreciate the YMAB group for bringing this forward. This is an organization that includes mining executives, as well as representatives from a variety of different organizations. It is probably worth noting those.

The Yukon Minerals Advisory Board may consist of up to 10 members to be appointed by the minister. One member shall be a member of the Yukon Chamber of Mines; one shall be a member of the Klondike Placer Miners Association; the balance of members shall be reflective of the mining industry and be persons who are chief executive officers or senior managers of companies with a mineral exploration project or a mine in Yukon; our chief executive officers or senior managers in the junior mining sector or involved in a national mining association or have significant experience in a relevant aspect of the minerals industries. It is important to note that there is diversity of people on this board.

The board also includes a representative of Yukon’s industrial sector or equipment operators, often referred to as the “supplier’s representative”. Additionally, we have representation on the board by an individual who is also chief of a Yukon First Nation.

The board shall make recommendations to the minister for government actions in relation to increasing mineral exploration and development in the Yukon; attracting capital for the exploration and development of new mines; ensuring feasible and timely development of mines; improving the potential for producing mines to remain viable; participation of Yukon residents and businesses in mining; reducing constraints, including government constraints, on the development of minerals in Yukon; outreach with Yukon First Nations to explore opportunities and benefits of mineral exploration and development in the Yukon, and they may participate in other such matters pertaining to mineral exploration and development in the Yukon as the minister refers to the board.

The board shall also undertake educational initiatives, such as conferences and workshops, when requested by the minister.

The board shall submit to the minister by May 1 of each year a report on the activities of the board during the preceding calendar year, including, if requested by the minister, a report on the board’s recommendations during the preceding year.

It also goes on to say that the board shall make the record of its meetings available to the public.

The board has submitted their report well in advance of their May 1 deadline. It has been tabled for members opposite, and I will enter into discussions with the Yukon Minerals Advisory Board about additional communications vehicles for them, such as a website so that they can communicate with the Yukon public more about their role and some of their various different initiatives.

Many of these individuals in YMAB have experience in working with Yukon First Nations and in working in Yukon communities. One of the issues they have raised with me is the

issue of seeing local benefits, and this is also understood by national and international bodies in wanting to see the people most affected by an operation being among those who receive some significant benefits. So if locals are affected, locals should benefit.

We’ve taken this principle to heart and addressed it through amendments to the *Quartz Mining Act*. Members will recall that one of the amendments put into the *Quartz Mining Act* was the inclusion of an allowance, or an allowable expense, for local community economic development. One of the most recent demonstrations of this was the contribution from Minto mine to the community in Pelly Crossing for \$1.4 million for a local early childhood education centre.

This is an example of how we can encourage local mining companies to provide benefit to the local community. This is in addition to the local economic development agreements or some of the other benefits that might directly contribute to a local First Nation.

Again, the Minto mine operation is another example of where the mine takes place on settlement land, in which case, the royalties flow — they’re collected by Government of Yukon, but flow to the First Nation. There was a significant transfer of this wealth to the First Nation this past year. Those are some of the direct benefits. We also see the indirect benefits of having people employed in the community. There are spin-off businesses that start in order to supply and then there is an increase in tertiary businesses that are established because of the growth in economic activity. We’ve seen the increase in population for the territory. We’ve seen the increase in GDP for the territory. We’ve seen the increase in wages payable in the territory. I’m sure on these areas, the Minister of Economic Development will provide additional information and background on these because there is certainly a lot to celebrate in the areas of economic development.

With that comes the increased taxes that are received not only by the federal government, by the Government of Yukon as well. Also, when our population goes up, members will recall that our transfer payment from Ottawa also goes up accordingly. For every other person or for every additional person we have here in the territory, there is additional contribution from the federal government but in order that Yukon can provide appropriate levels of services commensurate with the level of services provided in other jurisdictions in Canada. Those are important things to recognize — that we receive federal transfer payments as well as receiving the royalties from mineral development.

The member opposite is correct. We did spend a considerable time debating this issue here the Assembly. In fact, we put forward a full motion day debating it, one wherein this government’s position on this was clearly articulated. Again, we don’t want to see an increase in the cost of doing business here in the territory, but what we want to do is see an increase or a raising of the cap on our resource royalties that Yukon receives.

The Premier, the Finance minister, has already put on record the ongoing discussions with Yukon First Nations and with the federal government about addressing this.

So there are activities that have been undertaken. There are more activities currently planned in order to raise the amount of royalties that Yukon would like to receive. We certainly want to see the benefits of a local mining economy stay here in the territory. There are mechanisms for ensuring that is happening. We have stated before that we don't want to raise the cost of doing business here, but what we do want to raise is the cap that is currently on the amount of royalties that Yukon can retain. We also want to maximize benefits for Yukoners. We want to maximize opportunities for employment. We want to maximize opportunities for training. We want to maximize opportunities for advancement, and we also want to see the companies involved becoming strong, responsible corporate citizens here in the territory.

We are very encouraged by the number of companies that are contributing to local charities, whether it is contributions to the Yukon Hospital Foundation or contributions to local children's sports teams. These are great ways of demonstrating that these companies are part of the community and that they care about it. Our government also put in place the amendments to the *Quartz Mining Act*, which formally recognizes and creates a formal process for encouraging local community economic development.

So, yes, Mr. Chair, we are fully supportive of Yukon First Nations obtaining additional fiscal benefit from natural resource development from the Government of Canada, and we have been a strong ally with them regarding discussions with Canada concerning First Nation fiscal transfer agreements. The Yukon government has initiated discussions with First Nations about the net fiscal benefit in the devolution transfer agreement and other affected agreements. We intend to continue that work. We have been very clear about this in the past, and it is an issue we are going to continue to proceed with, in concert with Yukon First Nations and with the federal government.

**Mr. McRobb:** I'll thank the minister for that lengthy speech, which started off giving a history of YMAB and talking about federal transfer payments.

At that point, Mr. Chair, I was afraid I would have to stand up and give him a zero, but he did come around and got half a point, and I'm even prepared to give a full point if he could just expand a little bit more on how he envisions this recommendation will be carried out.

Just on that, if I may allude in greater detail, back when we had the motion debate, a thought occurred to me. When laying out the energy conundrum the Yukon faces, in terms of the challenges of developing new energy capacity and balancing ratepayers' interest, perhaps a way around it is trying to work a new arrangement with the federal government that will advance some monies in lieu of royalties later.

It's not something I've discussed with anyone, so yes, it's maybe half-baked but, on a positive side, maybe it's an embryo for thought. It could overcome the biggest obstacle, and that is who finances and who takes the risk of expensive energy development that must be put in place to service the needs of future industrial customers and, more specifically in this case, what could be a large mine?

The cost could be as high as \$1 billion for a large hydro development, let's say. There is just no way the Yukon Territory can undertake a project of that magnitude, even with a significant share borne by the owner of this mine we're discussing in this example.

This takes us back to the situation with the federal government. Yes, it would be bending the rules a bit, because royalties are based on production. What we're talking about is sort of a grant of these additional royalties the territory will negotiate in advance of the actual production of minerals that produce royalties.

If I may be permitted to just speak on the benefit of that, it would allow for projects to be financed let's say a decade in advance of the mine coming into production so the energy projects can eventually be built in time. Unless we think out of the box on this, we're always going to be in the same situation of never being able to develop anything long term and be stuck at the end of the day with hauling in diesel generators or something to service the needs of a large mine or perhaps even telling the mine, "Sorry, you've got to generate your own."

Going back to this issue: is the minister aware of the possibility of anything like this? Does he recognize a need for a mechanism like this? What can he tell us?

**Hon. Mr. Rouble:** In an effort to gain that half a point back, I'll try to expand on my previous answer. I do try to be quite thorough with my responses, so I'm kind of surprised that I'm actually being asked to expand on it, but I'll try to add a few more comments.

We have all expressed a desire in the territory to see Yukoners and Yukon benefit from the expansion of our economic activity. With the increase in population in the territory, it creates additional resources coming into Yukon from the federal government, as well as it increases the responsibility of the Government of Yukon to provide services.

We've seen an increase in the population from a low of about 28,000 or 29,000 people to now over 35,000 people. With that, we see an increased number of taxpayers who are contributing to the federal tax coffers and also to the Government of Yukon's bank account.

We also see an increase in the responsibilities of government to provide service. It is quite interesting to take a look at the demographics of the territory and to see the demands of the services that are coming out. We are seeing rising health care costs, and I am sure the Minister of Health has commented on that. At the same time, we haven't seen a significant increase in the number of students in our schools, but that will be rebounding as well.

Before the Yukon Party government was elected, we saw a tremendous exodus of the population of the territory. That was primarily in the 25- to 35-year-old cohort. Those are typically the people who have the most mobility, are most affected by an economic downturn, and are also the ones who are looking at becoming established in a community, having children, raising children, and putting them through school. But we saw a significant exodus of that cohort in the late 1990s and the early part of the 2000 decade.

We have since seen an increase in the employment here, an increase in mining activities, an increase in the diversity of the economy, and now we're seeing the benefits of that.

Another aspect to consider when looking at the resource industry is the royalties that the governments receive on this. There is recognition with the self-government agreements and the land claim agreements about royalties that are earned on settlement land and those are transferred to the affected First Nation. We also have a sharing part of this arrangement with the royalties that are received by the Government of Yukon.

Also, we recognize that Yukon does not have all of the benefits of being a province, but that we are recognized as a territory and do have a special relationship with the federal government. We have entered into discussions with Yukon First Nations and with the federal government as a direct action item in order to address this issue.

We have, through the offices of the Premier and the Finance minister, started these negotiations. As they are a negotiated process, I really can't tell you what the final outcome will be, because there is no predetermined outcome. We are all working in the best interests of Yukon and Yukoners. There will be continued efforts and negotiations between the parties affected to ensure that Yukon receives its fair share of the wealth. We have to recognize that we do receive significant resources from the federal government. We also recognize that we have a responsibility to our other members in the Confederation to ensure that we are contributing to the nation and also, at the same time, that we are receiving commensurate — or the ability to provide commensurate levels of services with a commensurate level of taxation.

So those are some of the issues that we're working on. There is specific activity that I'm sure the minister responsible for the Executive Council Office — the Finance minister, the Premier — can address when we get to his related departments during this budget debate.

The member opposite also went on to the energy side of things and the government certainly recognizes that access to energy will be a significant factor in the growth and prosperity in the territory. We have certainly made investments in this area, as a government making contributions to the Development Corporation and the Energy Corporation. The Energy Corporation itself has made investments into streamlining and creating efficiencies in its operations and we've also worked in concert with the federal government to access additional resources from the federal government in order to increase our supply of renewable energy.

Members are very familiar with the Mayo B project, with the expansion of the opportunities at Aishihik and the work that the Energy Corporation is doing to increase the efficiencies of its operations.

I know some members in here don't support all of the activities. We have encouraged all the parties involved to explore ideas and to find out if they're good ideas or not. That's what I'll commit to doing with the idea brought forward from the member opposite about this idea of an advance on royalties. As he stated, this is one of those things in an embryo type of stage. We won't dismiss it out of hand; we'll take a look at it and see

if it goes from the idea stage to the good idea stage. And if it passes into the good idea stage, we'll work on how we can put it into implementation and turn it into best practice.

This government doesn't have a lock on good ideas. We'll take good ideas where we can get them. I appreciate the thought coming from the Member for Kluane about putting forward an idea to see if it can be tested to find out if it has merit for continuation.

We have also put forward the energy strategy for the Government of Yukon and that is the blueprint we are working with, as we go forward.

We have recognized in the strategy that, in order to go forward, we need to work, not only with our own resources, but also working with a partnership with others and with other governments.

We'll continue to do that, whether it's with the Yukon Energy Corporation or with Yukon's other electrical utility, that being Yukon Electrical Company Limited. It's important to note that Yukon Electrical Company Limited has been in operation here in the territory for well over 100 years. They are an established part of Yukon infrastructure, Yukon society and Yukon culture. They're often characterized in a very poor light by some in this Assembly but it is certainly important to note that as we go forward in having discussions about Yukon's electrical infrastructure and the supply of energy throughout the territory that it would certainly be irresponsible to exclude Yukon Electrical Company Limited from those discussions. Yukon Electrical has been part of the fabric of this society in Yukon for over 100 years, and they have been an important partner in the production, distribution and retailing of energy since we have had formal electrical grids here in the territory.

We are going to continue to work with the federal government; we are going to continue to work with existing resources and existing partnerships; we are also continuing to look at expanding relationships with others. Through our energy strategy, we have identified the necessity of going forward with a net metering and IPP strategy. Those are important tools that we have to meet the growing demands for energy throughout the territory.

A couple of other things I want to touch on — I'll come back to IPPs and net metering in a moment. There have been a few other initiatives that have gone on in recent history in the territory, those being the tying together of the electrical grids and the expansion and provision of electrical services to industrial customers.

I should add that the Minto mine recently repaid the loan they had with the Energy Corporation for their portion of the transmission line. So not only did they cover the cost of their direct transmission line, but I also believe that they offset some of the additional costs associated with the main line. That contribution was — I believe the recent repayment was \$17 million. So that's a strong injection of cash from a local customer.

We all hear the horror stories of Faro and what was allowed to happen by previous governments. But here we have something that should be celebrated through the territory, in that we have a repayment of a \$17-million loan years ahead of schedule. So we're seeing the effects of working with responsi-

ble industry here in the territory. Not only did it encourage and support the closing of the grids, but also, they have paid their bill off well in advance of the timeline. Now, the Energy Corporation — it's probably in a very good cash position, although I'll leave that analysis up to the minister responsible and to the board of directors responsible for that.

On the issue of tying the grids together, that's important because then we can balance the loads that are in effect throughout the territory and we can meet some of the demand-side type of issues with greater flexibility, with greater backup opportunities and a greater strength to the overall system.

We're continuing to work on those demand-side issues, both with Yukon Energy Corporation and Yukon Electrical Company Limited and all Yukoners, as we are with the policies regarding net metering and independent power producers.

We recognize that we need to work with others in order to meet our long-term needs, so there are a couple of strategies with that and a couple of different things being explored right now. We've long had the discussion about pipelines throughout the territory and the benefits that will have to Yukon from an energy consumption point of view, and also from the royalties received for the pipeline going through the territory. Again, this is one of these wait-and-see type of situations.

We certainly work with the affected companies, with our related regulators and with our government partners in this process, but the decision on a pipeline is one that Yukon certainly does not make all on its own. If a pipeline does come through, that would provide us with opportunities for energy from that. If that isn't happening in the near future, and even if it is, we are still looking at other avenues, especially looking at Yukon energy for Yukon electrical production.

One of the recent announcements from the federal government through CanNor was for the provision of resources for a collection of Yukon First Nations in north Yukon to look at the benefits of using Eagle Plains natural gas for the production of energy. This is a very encouraging type of process. There are some technical issues of course to be worked through, but we certainly have knowledge about the resource that's there.

We have knowledge about our growing need. Now we just have to work out some of the process of using Yukon's resources to create Yukon energy, especially doing that in conjunction with Yukon First Nations.

This idea certainly has some potential. The federal government, through CanNor, has provided more than \$300,000 to the Vuntut Gwitchin Development Corporation who is in partnership with other northern First Nations in order to prepare a feasibility study on delivering Eagle Plains' gas to market. They are looking at a couple of different scenarios, whether it's looking at liquefied natural gas and using that for a generating facility, or looking at providing that to other industrial consumers.

That's another initiative that is being looked at. I also will take this opportunity to talk about tying together the Yukon grid and the southern grid. There are discussions that are going on with our Energy Corporation and with our neighbours to the south.

As minister responsible for energy in addition to the mining issues that we are discussing here today, I had a recent opportunity to have a discussion with the energy minister in British Columbia, and we have both agreed that we need to continue to examine the feasibility of this and to start the planning process for this, because it certainly would be of great benefit to the territory. It's not an inexpensive proposition, but having that opportunity to be connected to the southern grid would take us out of that chicken-and-egg situation that the Member for Kluane was mentioning before — about how we need to have demand in order to provide the production facilities for energy, but it is hard to — well you can't really create a demand unless there is already energy there. It's a chicken-and-egg situation. If we have the opportunity to export as well as import energy through being tied into the southern grid that would be a significant benefit.

In summary, we are looking at increasing efficiencies on our own system. We are looking at opportunities to work with others. We are looking at increasing the opportunity to work with southern markets. We are looking at opportunities of using Yukon resources for Yukon energy production.

We're also doing significant work on the demand side of things, so we can ensure appropriate conservation of energy, which is one of the key matters that we need to address.

**Mr. McRobb:** Well, I thank the minister for that response. There are several aspects to it that I wish to comment on. First of all, as he knows, the next section in the YMAB report deals with energy and many of the issues he touched on. So, I'll just wait until we get to the next section before following up on many of those. He was doing very well until he got to the opposition's characterization of the Yukon Electrical Company Limited. If there is any doubt, let me clarify. We fully appreciate the contribution of this Yukon private sector company to the territory's development and what it has done for close to 110 years. If the minister is confusing this with recent issues, let me just take a moment to spell out the difference. The issue we took exception to, as most Yukoners did, were the secret negotiations to sell out our publicly owned Yukon Energy Corporation and merge with a private sector company from Alberta, which happens to be a parent company of Yukon Electrical.

We didn't have any issues with Yukon Electrical per se, and we fully appreciate what it does and its contribution, so let's just clear the air there. If the member wishes to dispute this, we can talk about this scandal for the rest of the day and maybe tomorrow as well, but let's move on.

The minister referenced the "big wire", the connection to the south — the grid inter-connection with the North American continental grid as possibly taking us out of the chicken-and-egg situation. That might be true in some limited perspective, but given the cost of it, which I believe the Energy Corporation president said was estimated at \$2.5 billion in yesterday's dollars, that's quite a sizeable egg in itself.

Let's get back to the question, which was about resource royalty sharing.

Up until the point where the minister diverged and started talking about the Yukon Electrical Company, I thought he did

very well. He demonstrated he does have a sense of humility and recognition for ideas that at least on the surface appear as if they might be legitimate. I congratulate him for that and consequently I'm prepared to award him one and a half points for that answer, so I see he's very pleased with that.

Now let's go to the second recommendation in this section, which reads as follows: "YMAB recommends that YG involve industry, as YG and First Nations work to resolve this issue with the federal government, so that industry may offer input and advice as solutions are developed." That seems like an easy pointer to me, so what's the minister's position? What's he doing about it?

**Hon. Mr. Rouble:** I appreciate that the Yukon Minerals Advisory Board appreciates that this is a good idea and we appreciate their input as such. They are in a position where many of the mining companies are working with affected First Nations who certainly want to see benefits to Yukon, benefits to the First Nation and benefits to the people locally.

We received the report earlier this week. It's going to be given due consideration by the department. I will share the recommendation with my colleagues and share their offer of support on this. We as a government certainly have a responsibility to work with our First Nation partners and with the federal government on this issue. As such, we appreciate their offer of support and if there is an opportunity in the future that would benefit from their demonstration of their support for this, we would certainly take them up on that.

We will continue to work with Yukon First Nations and the federal government in order to ensure that Yukon is receiving benefits that are coming from the territory and that we are in a position where we can provide an appropriate level of service to Yukoners.

**Mr. McRobb:** I'm not sure if I heard an undertaking to work with industry on that or not, so we'll leave that at half a point.

Let's move on to section 4, on energy. Some of these matters have already been touched on, mainly by the minister. Let's just read the opening paragraph in this section. I think that will provide adequate background, and I quote: "Yukon is energy-challenged and, unless this issue is addressed, it will become an increasing impediment to resource development. Several potential new mines have no obvious source of reasonably-priced energy and without it, their development is at risk. The need for other infrastructure, such as resource roads and port access, must also be addressed."

It goes on to talk about natural gas development and interconnection to grids and so on. These are dealt with specifically within the questions, so I'll just go to the questions now for the minister.

The first one reads as follows: "YMAB recommends that YG pursue the interconnection of the Yukon power grid to Alaska and B.C. as a long-term objective." What is the minister's position on this, and what is he doing about it?

**Hon. Mr. Rouble:** I'm not quite sure I understand the Liberal Party's point scheme here. It would seem that the Liberal Party is only awarding points if I respond that I'm doing exactly what industry wants to do. Is that the Liberal Party's

perspective on this — that they will only give credit if we respond with exactly what industry is looking for?

I appreciate the benefits of ongoing discussions and recommendations and dialogue with the Yukon Minerals Advisory Board, but the Government of Yukon has a responsibility to all Yukoners.

We need to take into consideration many of the recommendations and thoughts, feelings and opinions from other Yukoners as well. It isn't just about responding to one report and saying, "Yes, we're going to do that because they recommended that."

This reminds me of the discussions I've had in education where the member opposite highlights the Fraser report as the be-all and end-all of the evaluation of Yukon's education system. No, we as a government aren't just going to build an education system that responds to the issues presented by the Fraser Institute. We're going to build an education system that's responsive to the needs of all Yukoners. We certainly appreciate and take very seriously the recommendations coming from YMAB.

They are important stakeholders in this process and they are important to the process of building prosperity in the territory. We are going to make decisions considering the full impact on Yukon and Yukoners, on Yukon First Nations, on other groups in the territory.

To only recognize that we're doing okay or to give me points if we wholeheartedly agree with everything included in a report — the Yukon Liberal Party has lost sight of their responsibility to Yukoners in general. I've provided responses to this issue all day. We've walked through the Yukon Minerals Advisory Board report. We've gone through it point by point. Apparently, we only get credit if we do exactly the recommendation that's put forward. I'm assuming that's then the position of the Yukon Liberal Party, that when the Yukon Liberal Party is going to go to the polls with their strategy, they're just going to table the YMAB report and say, "This is what we plan to do. It's good for industry; therefore, it's good for Yukon." Well, Mr. Chair, there's a lot more to managing government than that. There are a lot more responsibilities for government.

Now we certainly appreciate the hard work and the thoughts that have gone into this.

We have addressed, as I've laid out earlier today, how we're addressing the interest that's put forward, how we're putting into motion the plan as to how we're going to address the concerns in order to build the industry in the territory, in order to build Yukon, in order to benefit Yukoners, but we have to start to question now: here we are in the full budget debate on the Department of Energy, Mines and Resources, a department with tremendous breadth and responsibility, with tremendous impact on the lives of Yukoners, whether it's in agriculture, whether it's in forestry, whether it's in energy, whether it's in mining, or whether it's in land use planning, and we're only dealing with the one report today.

Mr. Chair, I appreciate now we have the Member for Mayo-Tatchun back and now, when they start feeling uncomfortable, the quips start coming from the opposite side — how he's saying, "I think you're uncomfortable" or something like



that. I just wonder about the debate in the Liberal strategy session this morning. What were they thinking, coming in to debate on the Department of Energy, Mines and Resources? What were they thinking when we have a budget here of \$62 million?

Did they sit around the table and say, "What kind of questions are we going to ask? What kind of questions do we have for the Minister of Energy, Mines and Resources? How are they spending this \$62 million?" Did they sit there then and scratch their head and say, "I don't know. Should we ask them about forestry? Hmm, I don't know. Should we ask them about the forestry act and the new regulations?"

Here we are almost at the waning end of this sitting, and we have a new forestry act and new forestry regulations, but we haven't had questions on them. Is that not an important issue for Yukoners?

What do they do? Do they sit there and say, "Well, are we going to ask questions about energy? Are we going to ask questions about mining?" I'm sure some voice said, "I know, we have a new report. It has to be current — it came out yesterday. Let's just go through that point by point. That has to be important."

That's the strategy session going on with the Liberal Party. There's more to government than managing the expectations of one report. This is a tremendous department with very talented people in it and a breadth of responsibilities for all Yukoners and a budget of \$62 million. If we're going to go through the YMAB report, why not go through the YMAB report that we received last April, so we have an opportunity to say what we have in the budget to address these concerns? That's what we're debating here — the budget; the future vision.

Instead, we've had the Liberal Party that has chosen to fixate on one issue instead of talking about the breadth of issues that are out there affecting Yukoners.

When I want to talk about Energy, Mines and Resources, there are lots of issues that I want to discuss. I want to discuss the increase in opportunities for Yukoners in the mining industry; the expansion in our oil and gas industry; the new regulations that we have under forestry to allow us to be responsive to those areas, as well as the issue of land planning and the go-forward basis of creating a balanced approach to land planning in the territory. There is a lot more to debate on the Department of Energy, Mines and Resources. I look forward to the continued debate, but seeing the time now, Mr. Chair, I move that we report progress.

**Chair:** It has been moved by Mr. Rouble that Committee of the Whole report progress.

*Motion agreed to*

**Hon. Ms. Taylor:** Mr. Chair, I move that the Speaker do now resume the Chair.

**Chair:** It has been moved by Mrs. Taylor that the Speaker do now resume the Chair.

*Motion agreed to*

*Speaker resumes the Chair*

**Speaker:** I will now call the House to order. May the House have a report from the Chair of Committee of the Whole?

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

**Mr. Nordick:** Mr. Speaker, Committee of the Whole has considered Bill No. 24, *First Appropriation Act, 2011-12* 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 5:30 p.m.*