

Whitehorse, Yukon**Wednesday, June 6, 2007 -- 1:00 p.m.**

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

Prayers

DAILY ROUTINE

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

Tributes.

TRIBUTES**In recognition of the Anniversary of D-Day**

Hon. Mr. Fentie: I rise today to pay tribute to the anniversary of D-Day. It was 63 years ago today, June 6, 1944, when 14,000 Canadians landed on Juno Beach, the randomly chosen code name for a five-mile stretch of the Normandy coastline in occupied France. Canadians assumed a major role in this battle. Their mission was to take one of five designated beaches where Allied Forces were landing and to contribute to the liberation of Europe from Nazi Germany.

The bombardment of the beaches began at 6:00 a.m. on that very day, and within two hours, the enemy defences at Juno Beach had been shattered and Canada had established its objective, a beachhead.

But victory came at a heavy price. More than 200,000 Allied Forces were killed, wounded or captured during the two and a half months of the Normandy campaign. Of these, Canadian casualties totalled more than 18,000, including more than 5,000 dead.

Today I wish to acknowledge the courage and the gallantry of those who served our country on the beaches of Normandy. As Canadians, we often take for granted our democratic freedoms and our way of life. We are profoundly indebted to the men and women who fought to preserve peace and who demonstrated their faith in our future. I urge you to take some time to think about those people with families and friends, jobs and homes, who went to war, not knowing if they would come home again, and many did not.

Mr. Inverarity: I rise today on behalf of the Official Opposition to mark the 63rd anniversary of D-Day, the Battle of Normandy. June 6, 1944 -- known today as the Longest Day -- was the start of the major Allied campaign to defeat the enemy on the European continent. There were 150,000 Allied troops who stormed the beaches of Normandy on D-Day, with 15,000 Canadian troops landing on Juno Beach. The ultimate goal was to capture the enemy-held territory and to liberate of Paris.

The planning and massive preparation for the continental invasion was unprecedented. There were many valuable lessons learned from the failure of the Dieppe invasion, and without those lessons, D-Day would have failed.

The decryption of the German Enigma communications provided very critical information to the Allies. There were

many delays leading up to D-Day, including inclement weather, but the decision to go anyway was made.

This was the beginning of the many battles across Europe, in France, Belgium and Holland. The sacrifices made by the Canadian troops and the joint Allied Forces on D-Day helped to turn the tide and the war.

A former World War II Canadian veteran, Third Lieutenant Bruce Melanson, now 85 years old, landed on that Juno Beach, 63 years ago today. Mr. Melanson and other veterans, in their 70s and 80s, waged a remarkable campaign to create a memorial for their fallen comrades who fought and died in the D-Day victory. They stood in the malls and the corridors of Wal-Mart throughout Canada and raised over \$5 million on their own and finally shamed Ottawa into contributing its share to the memorial.

With pride piercing through his medal-lined chest, Melanson returned in 2003 to the beach he stormed 63 years ago to witness the official opening of the \$10-million memorial at the Juno Beach Centre in Courseulles-sur-Mer.

But Mr. Melanson's battle is not over yet. He has now taken on a new mission to persuade the government to begin an annual pilgrimage of students to Vimy Ridge and Juno Beach so that they can learn first-hand about the sacrifices made by Canadian soldiers.

We owe a debt of gratitude to these soldiers who fought so gallantly and sacrificed their lives for freedom. They were ordinary Canadians who made extraordinary sacrifices. The price paid at Vimy must not be forgotten. The price paid at Juno Beach must not be forgotten.

Today as we speak, our troops are in harm's way; they must not be forgotten -- lest we forget.

In recognition of the Canadian Cancer Society's Relay For Life

Hon. Mr. Cathers: I rise today in this House to ask my colleagues to join me in recognizing the past weekend's Relay For Life and all of the participants in the event.

This unique Canadian Cancer Society sponsored community event is aimed at recognizing individuals who have survived cancer and honouring those who have lost their lives to the disease. A relatively new event in the Yukon, it has become one of the more successful fundraising events in this territory.

Two communities are currently hosting the events: Whitehorse and Dawson City. This is the kind of event that brings together all kinds of people: children, adults, friends and family. It is a very positive, yet poignant, way of celebrating, mourning and taking action to support the work of the Canadian Cancer Society.

Yesterday's tally had the fundraising total at more than \$136,000, with additional money pouring in. The money helps support research into cancer that can develop cures and better treatments. It helps support individuals with cancer and their families, but the moral support by those who walk and those who volunteer to put on the event, as well as the other work done by the Canadian Cancer Society, is also important to those who have cancer and their families.

On behalf of the government caucus, I thank those who participate, those who volunteer and those who donate, for their commitment and their support.

Mr. Mitchell: I rise today on behalf of the Official Opposition in paying tribute to the Canadian Cancer Society's Relay For Life. The Canadian Cancer Society is a national community-based organization whose mission is the eradication of cancer and enhancement of the quality of life of people living with cancer. The Relay For Life is the Canadian Cancer Society's unique, hope-filled community event fundraiser to raise funds to support research and services for people living with cancer.

There were two Yukon relays held this year -- one in Whitehorse and one in Dawson City. The Relay For Life was held in Whitehorse on June 2 and 3, and revenue this year will top \$135,000 with more than 570 people participating.

The passion of the people in attendance was inspiring. We celebrated the survivors as they walked the victory lap led by the Midnight Sun Pipe Band. The midnight lighting of over 800 luminaries was extremely moving as one walked the area to pay tribute to and remember the ones who lost their courageous battle.

I spent several hours Saturday night walking with a number of the relay teams and I was deeply moved as I read the names and messages on the luminaries. I recognized so many of the survivors, as well as the names of those who succumbed to this terrible disease. If I didn't know the person first-hand, I knew the family. It does make one wonder whether there is an elevated incidence of cancer within the Yukon. I was tremendously impressed with the courage of survivors, as well as the passion of Yukoners to contribute toward the fight to cure cancer.

For the second time, a Relay For Life was held in Dawson City on May 26 and 27, with a team from Mayo also participating. In total, they raised \$33,000 in donations as they remembered the ones they had lost and celebrated the survivors. They did themselves proud. We would like to thank the many sponsors, volunteers, participants, donors and musicians who gave so freely of their time and money for such a worthy cause, for without them this event wouldn't be possible.

Each and every one of us has been touched by cancer in some profound way -- an immediate family member, a relative, a friend, a co-worker or oneself being diagnosed with cancer. An estimated 159,900 new cases of cancer and 72,700 deaths from cancer will occur in Canada in 2007, but there is hope. There is always hope.

We hear of more and more people beating the odds and becoming cancer survivors. Survival rates are on the rise. In the 1940s, only 25 percent of people diagnosed with cancer survived; today, that number is 60 percent. We cannot rest until that number is 100 percent.

Until the day we can eradicate cancer, the goal for cancer patients is to become a cancer survivor. The Canadian Cancer Society uses a 0-5-30 rule for prevention: zero exposure to tobacco products, five to seven servings of fruit and vegetables per day and 30 minutes of exercise per day.

We must remember that 50 percent of cancers are preventable, and taking these preventive steps now will help to reduce one's risk.

With your indulgence, Mr. Speaker, I would just like to introduce Mr. Scott Kent, the executive director of the Yukon chapter of the Canadian Cancer Society, and no stranger to this House, and his able staff of both workers and volunteers, who are here with us today.

Applause

Mr. Edzerza: I rise on behalf of the third party to recognize the people who are living with cancer in their lives and those who are working to overcome this terrible disease for themselves or others.

Foremost in our minds, when we think of cancer, are the people who are suffering from the disease. Even if we are not the ones who have been diagnosed, we all know someone who has to face the future with uncertainty and pain, and we try to do what we can for them.

We are especially moved by the cases of cancer in children. In many cases, the diagnosis of cancer is a life-changing event for everyone around the patient. The friends and families of people with cancer have an especially difficult role to play while cancer is diagnosed and treated. Their support throughout the process calls for the greatest strength and the deepest empathy they have to call on in their lives.

Many people are moved to support friends, family and even strangers when fundraising events are held or when assistance such as counselling or transportation is needed for cancer patients. It is heartening to see the number of volunteers who devote time and energy supporting the organizations that deal with cancer. Without these dedicated people, much of the process in prevention, diagnosis and treatment that we now enjoy would not have been possible.

Dealing with the reality of cancer's effects on our daily lives would be much harder without the kindness of volunteers.

The causes of cancer are beginning to be known. Although many resources are needed for research, more efforts can be made in the prevention of this disease. There are things we can do as individuals, such as watching our diets and exercising, quitting smoking, protecting ourselves from the sun and having regular screenings. We do know that certain substances are carcinogenic and should be handled carefully, but these must also be better researched, regulated and monitored -- something governments are responsible for.

Speaker: Are there any further tributes?

INTRODUCTION OF VISITORS

Speaker: It is the Chair's pleasure today to welcome on behalf of all Members of the Yukon Legislative Assembly our new Ombudsman, Tracy-Anne McPhee.

Applause

Speaker: Are there any further introductions of visitors?

Are there returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Lang: I have two documents for tabling this afternoon: the Queen's Printer Agency and the Fleet Vehicle Agency business plans for 2007-08.

Mr. Fairclough: I have two documents for tabling: a news release from the Council of Yukon First Nations and the interview with Art Pape.

Speaker: Are there any further documents or returns for tabling?

Are there any reports of committees?
Petitions.

Are there any bills to be introduced?

Are there any notices of motion?

NOTICES OF MOTION

Mr. Fairclough: I give notice of the following motion:
THAT this House urges the Yukon government to conduct air quality tests of the new Carmacks school and that the results be released to the public prior to children and staff taking occupancy of the facility.

Mr. McRobb: I give notice of the following motion:
THAT this House urges the Yukon Party government to abide by its election promises and follow its own objectives with respect to contracting policy and benefits to Yukoners by scaling contracts to encourage bids from Yukon contractors instead of issuing high-scaled contract tenders of unprecedented proportion in the territory, as it did with contract number FMB-07-001, in order that local forestry contractors not be disqualified from the bidding process.

Speaker: Are there any further notices of motion?
Is there a ministerial statement?
That brings us to Question Period.

QUESTION PERIOD

Question re: Hospital Corporation Board, relations with government

Mr. Mitchell: The Minister of Health and Social Services has been busy telling anyone who will listen how well he gets along with the Yukon Hospital Corporation Board of Directors. One person who takes issue with this statement is the former chair of the board itself. She resigned in November 2006. In her letter of resignation, she cited poor communication and working relations with the minister. She wrote, "From 2004 to early in 2006, the communication was satisfactory, but during the final four months of my tenure there was a breakdown to the point where the board was not being informed of major decisions affecting our operation."

Why was the hospital board not being informed of major decisions affecting their operation?

Hon. Mr. Cathers: The member's assertion that the hospital was not being informed of major decisions is inaccurate.

Mr. Mitchell: It is not my assertion. It is the former chair's. The former chair of the hospital board didn't think much of the way this minister was treating the board. The board was not being informed of major decisions affecting their operation.

The former chair had this to say, "An example of this was the announcement made immediately prior to the election concerning the future of the Thomson Centre facility. This facility, owned by the corporation, had a great deal of time and money spent on it during the preceding two to three years on planning the design and renovation of the building to accommodate what we understood was going to be an alcohol and drug treatment centre. Neither we nor the Whitehorse General Hospital's senior management team were consulted or informed of the change in plans until we read about it in the local newspapers."

This is a major change in direction and the minister doesn't even talk to the board -- so much for his claims of a good working relationship.

Why did the minister bypass the board of the Hospital Corporation on this major decision?

Hon. Mr. Cathers: Again, the member's assertion is inaccurate, and he needs to reflect on the fact that the Thomson Centre is a Yukon government asset. It is not owned by the hospital. In fact, I did discuss it with the board at a meeting. I would have to check the exact date, but I did, at a board meeting at the Whitehorse General Hospital, inform the board that some of the discussions that they had with the former minister were not going to be proceeded with -- such as considering the transfer of emergency medical services, which had not been popular with the union. As minister I listened to the union, listened to the staff and respected that. We continued with the operations -- also informing the board that there would be further considerations regarding the Thomson Centre, so the member simply is not reflecting the facts.

Mr. Mitchell: A long-time Yukoner who had served quite capably as chair of the Yukon Hospital Corporation resigned because of -- her words -- "poor communication and working relations with the minister". The minister was bypassing the board on major decisions like the future of the Thomson Centre. It blows quite a hole in the minister's story that he had a good working relationship with the board.

When the former chair resigned, she was replaced by the Yukon Party's campaign manager. Again, to quote from the former chair's letter: "The appointment of the new chair was made public again without informing the board or the senior management of Whitehorse General Hospital in advance. This action appears disrespectful to all those concerned."

I agree. It is a disrespectful way to treat anyone. Will the minister apologize for the disrespectful way he treated the hospital board and staff at the hospital?

Hon. Mr. Cathers: The member again is absolutely incorrect. There has never been any disrespect.

The member needs to recognize what we on the government side recognize -- that the issue of the operation of the Hospital Corporation is a very serious matter. The pension deficit -- or the employee pension plan -- was a very serious matter and that was one of the first things that, upon my appointment

as minister, we undertook to address. That problem, as we have discussed in debate here, currently stands, and the final standing of this -- the government contribution to address the problem that was not strictly our responsibility -- is \$17 million over 10 years to ensure the integrity of the employee pension plan.

This matter was of great importance and I would point out to the members, in the interest of public disclosure, that there was not full communication to the minister. In January of 2006, I was informed that no cash would be required and only a \$1.3-million promissory note would address the problem. It's a \$17-million cash problem. We addressed the matter. I thank the former chair for her service. The government must, will and did act in the interests of employees.

Question re: Hospital Corporation Board, relations with government

Mr. Mitchell: We shouldn't be blaming public servants or board members for difficulties that occur in this territory. One of the common complaints we hear about this government is that it is arrogant. We have another example in front of us today. This Yukon Party government, in its arrogant way, decided to change the future use of the Thomson Centre and didn't even bother to inform the owner of the building, the Hospital Corporation, about the change in plans.

Let's go back to the former chair's resignation letter.

"I was informed that, during the recent election campaign, prospective candidates for the Yukon Party were advising potential party supporters that the board and management of the hospital had run the operation so seriously into debt that strong action had to be taken. This was not information the board was sharing with the public and represented a breach of confidentiality on the part of candidates associated with the Yukon Party. This is a very serious allegation and one the minister should be very concerned about. There were not many people who would know about this inside information."

Will the minister ask the Privacy Commissioner to investigate how candidates for the Yukon Party got this information?

Hon. Mr. Cathers: I recognize the member is reflecting a letter that was written; however, I believe the reference in the letter is inaccurate. That does not reflect any direction that has come from me or, to my knowledge, that has come from anyone -- any assertion there was, in any way, wrong intent on the part of the former chair or that the hospital board was doing something intentionally wrong.

First of all, I would correct one minor comment the member made suggesting the hospital owned the Thomson Centre. That's incorrect; the government has always had that asset on its books, and we make the decisions relating to that.

The member should also recognize that we treat this matter very seriously. I thanked the former chair for her service -- I thank all members of the board, current and past, for their service -- but ultimately the government is held accountable for those decisions, and we must ensure that, at all times, decisions are made in the interest of the taxpayers, the public and the employees.

Mr. Mitchell: Mr. Speaker, I'll file the letter so the minister can refresh his memory.

Mr. Speaker, this is an issue of public trust. The fact that the hospital was having financial problems was not widely known at the time. Yet, according to the former chair of the Hospital Corporation's letter, prospective candidates of the Yukon Party were busy telling people that the board and management of the hospital had run the operation seriously into debt and that strong action needed to be taken. She views this as a breach of confidentiality on the part of candidates associated with the Yukon Party. This is a very serious allegation. These Yukon Party candidates got this inside information somewhere.

The minister was made aware of this concern on November 12 of last year. Has he looked into these allegations or not? If he has not, will he ask the Yukon's Privacy Commissioner to investigate the concerns that have been raised?

Hon. Mr. Cathers: Mr. Chair, this question is a bit ridiculous, in that the member is suggesting that I look into how candidates got information, which is not something that has ever been relayed. I have never made any accusation that the hospital board did something inappropriate with their base operations. However, I have stated, and I will state, that there was a pension deficit problem. That matter was not adequately dealt with.

This government stepped forward. As far as public disclosure goes, in 2005 this government announced that we would assist the Yukon Hospital Corporation and Yukon College in addressing their pension deficits for their employees. That's full public disclosure. That's a press release that the member should find still on the Web site. We disclosed right there that there was a problem. We've been very forthright all along about the extent of the problem -- to the extent we knew about it.

I remind the members opposite that in January 2006 I was informed by the former chair and former CEO that the pension plan at the hospital needed a \$1.3-million promissory note -- no cash, ever. Today's responsibilities are \$17 million over 10 years -- the true and accurate picture.

Mr. Mitchell: The former chair of the Hospital Corporation has raised a number of serious problems with how this government is treating the Hospital Corporation, and a lot of citizens share those concerns. She should be congratulated for having the courage to put those concerns in writing and for being here today. The former chair has said that she was concerned about the continuing erosion of authority of the hospital board, especially in the area of governance.

Let's finish up with the issue of the Yukon Party candidates telling people that the board and hospital management had run the operation into debt and that strong action was required. This is a very serious allegation and one that the minister has so far refused to answer. He was informed of this allegation in November of last year, and he has not looked into it.

Respecting confidentiality is very important. This is about maintaining public trust. Will the minister ask the Yukon's Privacy Commissioner to investigate this allegation and report back on what the former chair has described as "a breach of confidentiality on the part of candidates associated with the Yukon Party".

Hon. Mr. Cathers: If the Leader of the Official Opposition tells someone that he sees the sky, and it's green, and that I told him it was green, I'm not going to ask the Information and Privacy Commissioner to investigate it because that is absolutely incorrect.

Again, the member is talking about inaccurate, incorrect information. As far as his allegation that candidates were repeating what would have been incorrect information, that's not something that's based on fact.

Mr. Speaker, we have never suggested that the hospital board was dealing with their operations incorrectly, aside from the \$17-million issue of the pension plan deficit for the employees. We stepped forward to address that area. We are committed to protecting health care workers, the employees of the hospital, ensuring the sanctity of their pension plan, ensuring the recruitment, and preventing that plan from being put into jeopardy, as it was by the determination of the Office of the Superintendent of Financial Instruments, the federal regulator in this area.

The member knows not of what he speaks. We stepped forward. We provided a \$17-million contribution over 10 years, not the zero cash requirement that had been indicated to me in January 2006 by the former chair and former CEO.

Question re: Group home construction

Mr. Edzerza: My question is for the Minister of Health and Social Services. It has been stated many times on the floor of this House and elsewhere that children are our future. The 2005-06 budget included \$809,000 for a group home for children in care. Last year, that line item shrunk to \$50,000. This year, there is not one red cent in the budget for a group home. So much for taking care of our future.

Why has the minister abandoned the commitment to build a group home?

Hon. Mr. Cathers: The member is incorrect in that assertion. We are working to further enhance and address the needs within this area. I would remind the member of other linked areas in here. As far as our concern for children, the member needs to reflect on our significant investment in child-care to assist parents, to assist daycare operators -- the investment rose from a starting level of a \$4.4 million when we took office last term to an annual contribution of \$5.3 million -- a \$900,000 annual increase. Through further commitment, as I indicated and announced, this government will increase it by a further \$1.2 million to \$6.5 million by the end of this mandate. This is a significant investment in assisting parents and workers and addressing the needs of children and providing proper care for them when their parents are not available to do that due to work and other commitments.

Mr. Edzerza: Everyone is incorrect but the minister. It must be nice.

Instead of building a group home as it promised, the government is using the children's receiving home on Fifth Avenue for that purpose, which is not what that facility is intended for. The receiving home is supposed to provide temporary shelter for up to 90 days for children who are waiting to be placed in foster homes or returned to their families. Instead, some chil-

dren have stayed in that facility for up to a year while others have been in and out for over two years.

Six years ago, the Anglin report on children in care said the receiving home should be closed immediately, because it was, in the consultant's words, "an unsafe environment for young children." Why is this government hiding behind a *Children's Act* review that has essentially disintegrated, instead of acting on the recommendations in the Anglin report?

Hon. Mr. Cathers: I have to correct the member. The member suggests that I am taking a position that everyone is wrong except me. No, I am pointing out when the opposition members are wrong -- as the Member for McIntyre-Takhini is. He is absolutely wrong, and again, for him to suggest that the *Children's Act* review is not proceeding -- he is simply ignoring the facts. He should know what those facts are. The member needs to recognize what we have already done to address this issue, and we will continue to further invest and address those needs.

There will be work to further enhance the services that we provide to children in care. We already have very good services. The member should reflect on that as well, but for him to suggest that things are off the rails quite simply flies in the face of the facts.

Mr. Edzerza: We are not wrong about the Anglin report, and the minister knows that.

This is a government that says it wants a correctional facility that is not a warehouse and that provides a range of treatment and support for inmates. Yet when it comes to children in care, the same government is content to use a receiving home basically as a warehouse for kids with no place else to live. Many of these youngsters have serious behaviour issues and some of them have been in and out of the justice system.

When will the minister take this issue seriously and act on recommendations to replace the receiving home with smaller, therapeutic foster homes that can provide the structure, support and programming that kids in care really need?

Hon. Mr. Cathers: The member should be well aware we take this area very seriously. I would point out to members that in this year's budget we have further increased the resources in this area. Once again, the child placement services budget in this area is \$5.1 million -- 17.5 full-time equivalent employees in this area. Early childhood and prevention services -- \$6.966 million, and 19.8 FTEs. Youth justice, a related area -- \$3.9 million. Child assessment and treatment services -- \$8.377 million.

We have the increases this year in these areas: three-percent increase for program management; four-percent increase for family and children's services; three-percent increase for child placement services; eight-percent increase for early childhood prevention services.

We are continuing to invest in this area and we will continue to do so, including addressing the housing needs and the home needs that are appropriate for children.

Question re: Children's receiving home

Mr. Hardy: I'd like to follow up with the Minister of Health and Social Services on the subject of the children's receiving home in downtown Whitehorse. It seems to be his day.

Recently we learned that four types of mould have been discovered in four separate areas of the building. The government is apparently waiting to determine the extent of the problem and what needs to be done. Some staff members have already exercised their right to refuse to work there until the problem is fixed.

What is the government's contingency plan for both the children and staff if it becomes necessary to shut down the receiving home because of the mould?

Hon. Mr. Cathers: I'm pleased to inform the member opposite that he's overstating the extent of the problem there. We've been informed that this is something that can be addressed and can be removed.

I would also remind the member that there are different types of mould. We treat all very seriously, but not all are the black mould that's referred to and about which there's concern.

Mr. Hardy: Mould on the walls is not the only problem at the children's receiving home. There's a high turnover of staff and staff shortages are common. Often there may be only two workers on shift when there should be four plus a supervisor. Discipline is difficult to enforce with few consequences for breaking the rules. Curfews are ignored and students frequently play hooky from school.

According to reports we have received, a kind of gang mentality exists in the facility, with small groups of kids controlling the others. Staff members feel at risk and at least one was physically assaulted by a client last month.

Is the minister aware of how many reports have been made to the RCMP because of the problems at the children's receiving home?

Hon. Mr. Cathers: I think the member is referring to one incident in particular, not that there haven't been other challenges there. But the member should realize and reflect, looking back over the years, and he will see very clearly that this is a very challenging area. Some of the youth in this area are very troubled and there are incidents over time. The department reviews, both internally at a management level and in cooperation with the union, and takes the best possible steps to ensure the safety of the workers in this area. We do recognize this is a higher risk area. There are steps that are taken and, of course, any time an incident occurs, it's reviewed operationally and consideration is given to what areas, if any, should be improved. Those improvements are recommended and we support them.

Mr. Hardy: That's some answer or some non-answer. For the minister's benefit, I'll provide him with information. From January to May, this year alone, there were 46 calls to the RCMP because of problems at the receiving home -- 46 calls. Last year there were six. Workers are often afraid to be alone with the children; weapons have been found and seized on occasion. In Lethbridge, a few years ago, a group home worker was murdered by a 14-year old client during an outing. This is a very serious matter. The minister doesn't seem to know what I'm trying to refer to here. Workers at the receiving home are worried it could only be a matter of time until a similar tragedy happens here.

So my question is very simple. What is the minister doing to ensure safe working conditions for staff at the receiving home, as well as providing a safe and constructive environment for the children who are in his government's care? What is the minister doing to ensure that?

Hon. Mr. Cathers: I just highlighted to the member, and also previously to his colleague, some of the increases we've made in this area to further assist that. I would point out to the member with reference to the RCMP reports he refers to, that if he takes a longer term view and looks over a number of years, the number of reports for last year, historically, was low. The number of reports for this year is historically high. They have fluctuated over time, and there have been spikes and drops during that period. We take all of them very seriously, and we recognize that there are potential issues here. This is one of the reasons why last year we created a position within the department where we've hired a director of risk management and quality assurance for areas such as these and for other areas where we have employees working alone or in higher risk front-line procedures to ensure that the department does the planning. For the first time, we have a dedicated position in the department to do the planning to ensure that employees in higher risk situations have the procedures in place and the reporting structures in place to protect and ensure their safety.

As far as the area specific to the facilities, I would point out to the member that we have a further increase of \$215,000 in capital for renovations and equipment for facilities, including the children's receiving home. We are addressing those needs where they exist.

Question re: First Nations, government relations with

Mr. Fairclough: I want to bring the Premier back to an issue that he would love to see go away: the recent decision by Justice Veale. The Premier has been downplaying the decision since it was released a couple of weeks ago and trying to narrow the focus of the Supreme Court decision. Now, as a newspaper said on Friday, the Premier fought the law and the law won. The lawyer who won this decision had this to say about the implications of this landmark ruling: "Yukon government, you need to change your whole approach to consultation. So, yes, this has wide implications."

Having a few more days to look at the decision and have it explained to him, does the Premier now understand the fact that this decision has broad implications for the Government of Yukon?

Hon. Mr. Fentie: Mr. Speaker, the member made reference to a newspaper article, so if it's in the newspaper, it must be gospel. Well, that's not the government's view. In fact, our purpose here and our sole focus is due process. Anybody has the right to access the courts to provide rulings. Once done, there is more work that must evolve, and that is exactly what the government is doing. We are going to thoroughly assess the ruling on this matter and decide next steps after that is done. We'll be fully informed, not by the newspaper, Mr. Speaker, but by those who are holding the credentials in this field and can give us the best information available.

Mr. Fairclough: Well, Mr. Speaker, the Premier has over 30 lawyers to explain this to him. The ruling is a ruling until such time as it's overturned. Now, we all know that the Premier is desperate to make this whole court case go away. We in the Official Opposition accept the findings of the court and have said so. Now, it's time to implement the decision. The Premier has still not put on the public record whether or not he will accept the decision and has left the possibility of government having to appeal.

Now, let's go back to the comments of the lawyer who won the case, Mr. Speaker, and I quote: "Yukon government argued if it's not in the land claims agreement there is no obligation to consult. Judge Veale says they're wrong."

Does the Premier accept that this court case has set a new standard for consultation, and does he plan to accept it?

Hon. Mr. Fentie: What I will accept, Mr. Speaker, is the fact that the Official Opposition has now taken a very clear position and it is different from the rest of the public in the territory. That is a serious problem, Mr. Speaker. We are a public government; we must represent the public interest. That is why we are taking the time to thoroughly assess this ruling. We do understand the importance of this ruling.

Furthermore, how can the member explain this issue of consultation when, in fact, on this very matter, consultation did take place? The reason I say this is that accommodations were made in reconfiguring this application on the land base to meet those accommodations to address First Nations' concerns.

So, the member should take a little more time to assess the ruling and all the facts in this case before the member takes solid positions that totally ignore the rest of the Yukon public.

Mr. Fairclough: Judge Veale took over six months to read all the details, to review the government's decision on this. It is his ruling in the end, so I hope the minister, the Premier, at least picks up the ruling and reads it. I believe he hasn't done that yet.

The Premier wants everyone to believe that everything is fine -- don't worry, this case is just an isolated incident. But this is incorrect and the Premier knows it. Let's see what the Grand Chief of the Council of Yukon First Nations had to say about the failure of this government to consult. I quote: "This is happening all too often. In fact, a number of First Nations have pending court cases against the Yukon government for failing to live up to the consultation requirements set out in their self-government agreements and the land claims agreement. This court decision should send a loud wakeup call to the Yukon government that this is not acceptable. We want to build relationships with government on the basis of our agreements and not in the courtrooms."

I think it's pretty clear, Mr. Speaker.

Speaker: Order please. Ask the question.

Mr. Fairclough: When is the Yukon Party government going to start living up to Justice Veale's decision?

Hon. Mr. Fentie: The Yukon government -- this government -- is demonstrating a very focused approach to these matters, and frankly, we'd be a lot more concerned if it were a fact that we did not consult. We consult on a daily basis with

First Nations and have even raised the bar on consultation on a government-to-government basis.

Let's look at some of the examples: the Yukon Forum, the *Co-operation in Governance Act* -- that's consulting -- the joint investment plan for the northern strategy; the targeted investment program and, of course, the northern housing trust -- \$32.5 million directly allocated to First Nations through consultation with First Nations.

And let's go on: the *Children's Act* review, educational reform, correctional reform -- consultations. But what the government is not going to do is replace the right of all individuals, First Nation or otherwise, to access due process through the courts by consultation. This is the right of all individuals. We encourage those who feel that the test has not been met to go ahead and access the courts. We think that is a positive for all, and the government will do its job here.

But furthermore, I want to point out something else to the member opposite. Nowhere in the treaties does it explicitly express veto for First Nations. And I'm saying that because the member opposite has taken a position here that there is indeed a veto if there is a question of consultation. That's not the government's position at all. The opposition has a big problem here.

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

ORDERS OF THE DAY

INTRODUCTION OF VISITORS

Hon. Mr. Kenyon: Mr. Speaker, I would ask all members of the House to join me in welcoming to the House and to the Yukon the Rotary Foundation Group Study Exchange team from Rotary International District 3260, which is India, to Rotary District 5010, which is Yukon, Alaska and the 36 clubs of eastern Russia.

Joining us today is Mr. Satchidanand Jagatdeb, the team leader; Mr. Tirtha Chandan Patra, a consulting engineer; Mr. Bhakta Bandhu Acharya -- and my apologies if I'm doing something to the names. Bhakta is a trainer in children's rights and education; Ms. Koyena Dastidar, who is a biology teacher and also holds a master's degree in genetics and biomedical engineering; and Mr. Durga Prasad Nanda, a practising lawyer, although we try not to hold that against him.

Please help me in welcoming this group to Yukon.

Applause

OPPOSITION PRIVATE MEMBERS' BUSINESS

MOTIONS OTHER THAN GOVERNMENT MOTIONS

Motion No. 134

Clerk: Motion No. 134, standing in the name of Mr. Hardy.

Speaker: It is moved by the Leader of the Third Party THAT this House urges the Government of Yukon to develop and implement a homeowner protection act that includes

mandatory licensing for home builders and contractors and an effective warranty program for new home construction and renovations.

Mr. Hardy: I'm very pleased to speak to this motion, because it's something that is long overdue. I've had to experience many incidences in my background of construction. I'm a tradesman, a carpenter by trade and have been in the construction industry for probably a little over 30 years. During that period I've seen the booms and busts in the Yukon, where there was a tremendous amount of work and a lot of contractors out there, including me, as well as being a worker for the contractors. I've seen the low side, when there's very little work for us and we've had to struggle through that.

One of the big problems when there is a boom, which has come to the forefront each time, is what I would call poor contracting, poor workmanship, lack of stability among many of the contractors, no understanding of the quality and standards that need to be met and who they're actually building or renovating the homes for.

What is often missed is, you're building a home for a family or an individual, and it's their life savings that are going into the home. You owe it to them to build to the highest standard possible. You also owe it to them to be there with a warranty program or some kind of recourse if something goes wrong with the building that needs to be addressed.

When there's a boom, you get fly-by-night operators; you get unethical contractors who take shortcuts. They're trying to move on to the next job. You get individuals doing renovations who don't complete work -- you get a lot of that, and I'll expand a bit on that later on.

What is most disconcerting is that it is a "buyer beware" market. This is the single biggest purchase of people's lives, and we do not have anything in the Yukon that protects the buyer -- nothing. They can go to court if they have the money -- after the major purchase that they have made, if they are not mortgaged to the hilt. They can go to court; they can try to take these outfits to court, but a lot of them will disappear.

A lot of them build one or two or three places, or even more, and then declare bankruptcy or just leave. They lose the recourse there. A lot of them don't honour what little warranty that they do offer -- do not honour it. This causes problems, not only for the homeowner, but it actually causes problems for our industry and it causes problems for the legitimate home builders.

Legitimate contractors are often the ones who are victims, as well as the homeowner, in this, because they can't compete against a shoddy operator. You can't do it. They can't compete against the low bid if the low bidder's intent is to build the home as cheaply as possible, cut as many corners as possible and not have a warranty system. So the very legitimate and worthy contractors that we have are actually against the eight-ball on this one. They are struggling to bid and to compete; plus there is also a drain on the workforce that is out there.

What happens in the industry right now -- I'll go back a little bit. When I started serving my apprenticeship, the ratio on the jobsite used to be approximately three to four journeymen

to one apprentice. That was to ensure that the apprentice got the most skilled training possible on the jobsite. They got exposure to other journeypersons and, at the end of the day, when they had done their four-year apprenticeship -- such as mine, which was a four-year apprenticeship in carpentry -- they were exposed to a multitude of tradespeople who taught them a lot of different ways to do something and gave them a sense of pride in workmanship.

In the other trades, some of them are five-year apprenticeships and stuff like that, but they were all on the ratio of about three to four journeymen to one apprentice.

Today, what we witness in the industry is three or four, five or six workers, and maybe one apprentice -- maybe a second-year or third-year apprentice -- running a job with, on occasion, a journeyman trying to teach and trying to create a standard of building with a bunch of apprentices or just workers -- people who aren't even in the apprenticeship, which is a disservice to those trying to raise a standard of quality of construction in the territory. That's what has changed. You can go on to any job in the home industry and that's what you'll see on the job site.

I can tell you right now the quality of work drops when that happens -- absolutely drops. So, ultimately the homeowner is the one who is getting lesser quality.

Now, whether it's in carpentry, plumbing, electrical or mechanical systems, sloppy work is happening out there. It's not just in the obvious stuff that you see. It's with vapour barriers and insulation. That's why we have mould problems. Many of the situations we're facing now are because of shoddy workmanship. During the 1970s there was a boom in the Yukon. There were a couple of contractors who did a multitude of houses. After the boom, the industry slowed down a little bit. The housing industry slowed down a little bit, but they had built hundreds of houses. In an offhand way, I almost have to thank them because I spent many years making an income by going back and repairing the mistakes, stripping walls that had water pouring down on the inside and mould on the bottom, and replacing cold walls because they didn't put insulation in the walls, vapour barriers that were two-ply instead of six-ply or not even attached and sealed off properly, roofs that leaked, siding that fell off, doors that didn't close properly -- the list is endless. The list is absolutely endless.

It kept many of my colleagues in industry going back and repairing these homes. The sad part is, it was the homeowner who was paying twice for a new home. Many of these call-backs would happen within the first three to six months. They couldn't get the contractor to come back and do the work. There was no warranty system and, in the end, they had to pay more to get their house fixed up -- a brand new house. Many of the problems would rise up over the next couple of years as well. Unfortunately, those homes are still out there and they have been renovated many times.

At one time, when you bought a home, it used to be that the first major renovation in your home was after you were able to pay off your mortgage -- approximately 25 to 30 years. That's how well-constructed these homes were back in the 1950s and 1960s. Studies have shown now that the first major

renovation in these homes being built today is 10 years. There is no way in the world you can pay off your mortgage before you're doing a major renovation in these homes. The homeowner is trapped into spending another \$30,000 to \$60,000 to \$80,000 to \$90,000 on the home that they just spent approximately -- the average price in the Canada right now is \$300,000, if you can believe it, for a home but, in the Yukon, it's over \$200,000 -- \$220,000.

Who is building these homes? Have we asked ourselves that? Who is building them? Are they qualified tradespeople? Are they qualified contractors? Or as we used to say in the industry, it's the butcher, the baker, the candlestick maker that has all of a sudden become the contractor, or the carpenter, or the electrician, or the plumber. They're building the homes now. No skills, no background. It's very easy to become a contractor in this territory. It's very easy. All you need is to have a pickup truck and a few tools and get a business licence and away you go.

But you don't need any qualifications, none at all. That raises a serious concern. If we really care about consumers' rights, we would be concerned about that. As I said, tongue-in-cheek awhile ago, a toaster has a better warranty than what is out there for the single biggest purchase of Yukon people's lives. Unfortunately, that's actually true.

What happens? The jobs don't get finished by these unscrupulous, unethical contractors. They refuse to do the repairs. I have been talking to people who right now are trying desperately to get people to come back to repair work. The little bit of a warranty they did get from their contractor is already running out. They don't come back. Maybe they are waiting for it to run out completely, and then they won't repair it.

Unsafe conditions in a home -- you can talk about mould and air quality. A member of the Official Opposition brought up testing air quality in a school. Well, testing of homes is probably even more important. The family is in a home longer than in a school. There is questionable material being used, and it is questionable whether people should be in a home when it is first built because of the off-gassing. We haven't even looked at that.

Mould is a huge problem that continues to grow. We don't know the serious health consequences with all of it yet, but are starting to find some indications that it is very serious. Contractors go out of businesses; they come and go -- it's a risky business -- and then the homeowner has no recourse to get their homes fixed if the contractor didn't do the job properly.

These are very serious problems. It is my belief that what we need is government to protect consumers in this matter. We protect consumers in so many other areas, why not in this one?

I am not asking the government to write a home warranty program, but create an agency. That agency doesn't have to be another stand-alone board or committee. It can be set up through Yukon Housing Corporation. Yukon Housing Corporation already does many of its own inspections, and it has many of its own standards already in force. They do actually enforce quality construction as best they can, and there is recourse if the contractor doesn't follow through. Why isn't that made broader for all Yukon purchases in the home industry?

Why just only when somebody goes through Yukon Housing Corporation? I believe Yukon Housing Corporation does have a role to play in this and it would be a very good role, but it is definitely one that is long overdue.

Why am I bringing it up now? Very simply, we have been in a period with a lot of construction activity -- many homes are being built -- and we are looking at the future with, as many people predict, thousands more homes being built.

It is the perfect time to put into place an agency within Yukon Housing Corporation or Community Services or some other department to deal with this, one that is designed to protect homeowners, one that levels the playing field for contractors -- licensing contractors and having a warranty program that would be a third party warranty, setting a minimum standard on what a warranty would say. I think it is very possible and I don't think it would cost that much, but it would sure give peace of mind to many homeowners out there.

It would ensure that Yukon Housing Corporation stock is safe, secure and energy efficient -- if we set some standards. That's a big problem right now if we are talking about global warming and they are built to last so that the homeowner does not have to face major renovations within the first 25 or 30 years of the existence of the home. They probably can't afford it.

There is no reason in the world why we can't have the best building standards in the country. We need the best building standards. We live in a northern climate. There is no question about that. If we are going to have a serious impact, we have to raise the standards. We can do it up here; we are small enough and we can move fast enough.

We have excellent tradespeople, but not enough of them get the training that is needed. Yukon College offers courses and we need to expand them so they have the training and the standards and they will have the pride in their workmanship. That will ensure that the vapour barriers, framing, structural, roofing -- whatever -- are all up to a higher standard than what we have been witnessing in the last while. We can get it right.

Now, when it's lower -- you know contractors. It's word of mouth, and you can find the ones who do really good work and live by their word, and you can work with that, and many of us have. We ask around, we get word-of-mouth recommendations. We go see what their work is like, and we hire them. But in this day and age right now, that's not the way it is. I even get calls from people who ask if I would come and work on their place. I'm not in the trade right now; this is my job here. I couldn't do it anyway if I wanted to. However, people are desperate for workers, especially if they have problems with their home. So they're hiring anybody, and the quality of work has definitely dropped.

First, we should have a homeowner protection act. If we brought in an act, it would have regulations for licensing and a mandatory third party home warranty for new home construction and also for renovation and for building envelope construction. What would it require? It would require licensing for the contractors. That's not onerous. We expect licensing for insurance companies, for realtors, licensing for so many occupations out there. Why not have residential builders licensed

under the homeowner protection act? A public registry of licensed residential builders would be listed; homeowners would be able to look at it and consult; therefore, if they're licensed, they would have met certain conditions, which would give peace of mind to people who are looking to have a home built or renovated.

This would also bring into place building envelope renovators and renovation contractors, and a mandatory third party home warranty insurance that's delivered by, as I said, a third party. It doesn't have to be done by the government. That's not something that government needs to do. It can be done by insurance companies.

But there would be standards set -- minimum coverage -- and standards for policies of home warranty insurance would be set by regulation rather than by warranty providers. It would be a minimum coverage. In British Columbia, the minimum coverage there is two years on labour and materials, five years on the building envelope, and 10 years on the structure of the home. Why don't we have that up here for the people of Yukon? Why should they not have that protection?

The regulations could also provide for third party mediation of disputes between homeowners and warranty providers that can be mandated by a strata council and be performed independently of the homeowner protection organization. It can be a way to resolve conflicts or disagreements that don't cost a lot of money and don't involve the courts.

We can't keep sending everything to the courts as a way to resolve issues. Mediation is a very viable and often less invasive, less difficult process to go through and a heck of a lot cheaper. The agency can look after that, and maybe we'll get a higher standard.

What about certification of tradespeople? Long, long issue. We have certification in electrical, but we don't have certification for plumbing; we don't have certification for building -- structural; we don't have certification for ventilation, heating systems -- so much so. We do have certification for gas fitting. So why do we have certification in some trades and not others?

Why are we not promoting our trades and our apprenticeships wherever possible? Why are we not encouraging that -- setting up more programs and training for people who are building these homes? I know that if they get the training, they will do a better job -- we all do. The more knowledge we have, the better work we do. That doesn't change with construction workers, which is a very proud lot of people who like to do a good job. However, if they don't have the training, they don't know what a good job is.

There has been talk of people who could sign off work. Somebody comes by at different stages of construction, just as an inspector comes by -- a certified tradesperson who would sign off the work. If it's not signed off, it has to be corrected. Right now, there's nothing.

Let me give you an example. I wasn't going to use this one but I've heard of it before and then it actually happened to me, and I was astounded. I was on a job talking to a contractor a year ago. They were framing a house -- it was up in Copper Ridge. There were three people working on the site. It was down in a hole. From the road you couldn't see the actual con-

struction happening -- you couldn't see the footings, you couldn't see the foundation, you couldn't see the framing, as it hadn't come out of the hole yet. A car pulled up and it was an inspector. He got out of his car, took a piece of paper, wrote the inspection on his hood, called the contractor over, gave it to him and drove off. That was the inspection. I asked the contractor what that was all about. He said he often didn't have to worry about inspections because the inspectors knew he did good work. I agree -- the guy does good work. He's a good contractor. He pays his guys well and treats them really well. He wants to do a good job. He doesn't want callbacks. Maybe there is that relaxation in an inspection, but I hope that is not becoming normal because we don't have enough inspectors.

They're pushed so hard that they are just running from job site to job site. An inspector's role is to ensure there is a standard being met in the construction. But if there are not enough inspectors and there are too many to inspect during the course of the day, they are too busy, and then they may not be able to get down to every job site and things fall through the cracks. The problem always ends up in the hands of the person who just spent \$300,000. They are the ones who have to live with this new home. If there are problems in the house they have just purchased or that they've owned for a year, they are the ones -- not the contractor -- who have to live with it.

If there are health or safety concerns or if there is faulty construction, they are the ones who will have to live with it and pay more money -- and they shouldn't have to, not on a purchase like this. We have to take this matter a lot more seriously than we have. I am not asking the government, as I said, to do things like set up their own personal warranty program, but I am asking them to set some standards to protect the homeowner.

I think it's long past due. As a tradesperson, would love to see it. I like working to standards; I know most people do -- to know there is a benchmark that you have to achieve, a pride in your workmanship, to know when you leave a job site, you look back and you see the work you've done and you know it's good, to know that the home that is being passed on to the family who just purchased it is a good home. But there is so much pressure to build as fast and cheaply as possible now that what we are witnessing is inferior construction techniques in the home industry. Again, I can't emphasize enough that it's always the homeowner who ends up with that -- always the homeowner. That's not fair in this system.

I believe, and it is just a suggestion of mine, that Yukon Housing Corporation, which already does some of this, has the capacity and a duty to expand that for all homeowners. I think they have the expertise. They definitely have the resources to talk to other provinces that have brought in a homeowner protection act. All we need to do in this Legislative Assembly is bring in a homeowner protection act and get the ball rolling and send a message to the contractors -- for the legitimate ones, it won't bother them at all; but for the other contractors -- that there is a standard that they have to meet if they want to be in this industry, and a message to the homeowners that they do have some protection, a standard that is being met, and recourse if they're not getting satisfaction, whether it's renova-

tions, building envelope renovations, or new construction. We can send that message out, and we should be sending that message out. It's a consumer issue, and this government has a role to play in that.

Hon. Mr. Kenyon: The member opposite brings up some good points in his opening remarks, and there are a number of different issues and a number of different ways of looking at all of this. We're all aware of the fact that it's all too easy for contractors, companies and individuals to disappear, and that brings up one set of problems but also, of course, at the same time, it brings up and suggests some definite solutions.

It sort of brings a mental image to mind, as the member opposite speaks, of an old movie called *The Money Pit*. A couple buys their dream home -- it's an older home; it's not an originally made one -- and doors fall off as they open them, the bathtub goes through the floor. I do know of one person who had some renovations done and a new door put on and, when they opened the door, it actually fell off. Somebody had set it in place but forgot to put the pins in.

I certainly understand a lot of those various things.

I do have to correct the member opposite, though, on his mention of mortgages and repayment schedules being as low as 10 percent. I do have to point out that Yukon Housing Corporation Board of Directors fairly recently extended the potential for some mortgages up to 30 years. The main thing would be to lower the monthly payments and allow younger couples -- younger people -- to get into a home and home ownership and pay over time and gradually increase payments or do whatever. I think many of us have been there. There is the potential of a 30-year mortgage, because the cost of an average home is certainly going up and causing everybody no end of grief by any means.

There are certainly problems with some inspections. I have to say up front that I am probably one of the very few people in the territory -- at least it seems so some days -- who actually rather likes inspectors. I have found them to be very helpful and very reasonable on a number of different projects over the years. I also have seen cases where things just simply got missed, and I am not really sure how they got missed or why they got missed, but they certainly did.

Years ago, when a member of our family moved to Dawson City, they found out when they moved into a staff house that the heating bill was thousands of dollars, and they actually negotiated a deal where they would pay a flat rate for heating through the Yukon Housing Corporation. I later found out through the former Member for Klondike that that was a well-known house where the contractors had gotten carried away and put up the drywall before they put in any vapour barrier or, in some cases, insulation. I do know the member opposite is not telling stories in that case. These are accurate. Certainly in our own home, we pulled off some of the covering as late as last week and found areas that weren't insulated.

I have had experience with a commercial building, for instance, where the general contractor, whom I have a great deal of respect for, had subcontracted the heating. In fact, when we were trying to balance what was described by a number of con-

tractors as one of the most complex buildings they had ever worked on, he was running around licking his finger, holding it up near air vents, trying to gauge how we could balance the heating system. He blew \$1,100 worth of propane in 48 hours while he was trying to do this. When he suggested I put more propane in the tank, I counter-offered that maybe he could do it and do a little bit better job. When I got a competent engineer in, we found in the final analysis that, in a building that had been designed to handle 1,200 cubic feet per minute, the contractor had actually put in an air handling unit -- which had a big safety sticker on the side of it that said it was a safety hazard to run less than 1,800 cubic feet per minute -- and with his finger, had carefully tuned it to 3,100 cubic feet per minute. I think there was a little global warming in Marwell those days as \$1,100 worth of propane went out the tank.

I do understand some of those things. In my own home I can plug in the toaster -- I don't know if we got a warranty with that toaster or not -- and then start the microwave and blow the refrigerator circuit. Code says that they're supposed to be split circuits. They're not. Code says that there have to be split 20 ampere receptacles in areas where cars are parked. There are none on that side of the building. You have to begin wondering what happened and how the ball was dropped on these things. In general, I have had incredible help from inspectors over the years and have no problem at all.

I thank the member opposite for expanding on his thoughts on the motion. I see where he's going with that and I tend to think that there are some ideas in there. I do believe again that we're getting into some of the differences in political philosophy. For the member opposite, politics is not a straight line -- it's a circle; when you go far enough in one direction, you come up on the other.

One of the things that concerns me about the third party is the fact that they often see legislation as being the way to solve a problem when, in fact, there might be better ways to do that. When I spoke to a number of people inside and around the industry, what I really got is that contract law is a lot stronger than legislation and that maybe there are other ways to look at that. I'll get into that in awhile.

We have to consider whether we have a law that requires insurance -- as we do with vehicle insurance, for instance -- rather than providing the insurance as British Columbia does for vehicles -- again, a major philosophical difference. We should be considering consumer education to encourage prospective new homeowners to ask the builders for warranties.

I do agree with the comments made by the member the other day regarding what is, for many people, the largest investment of their lives, yet they may spend less time looking at that than on consumer reports and reviews researching that toaster -- and that is kind of sad.

Again, another example of this was a very sad case -- and my heart goes out to the individual who had purchased a home from someone and is now into major, major mould problems and everything else. When they actually got someone to look at it, it was just incredibly shoddy construction.

But the fact of the matter is that the additions, particularly vent pipes, had been asked for by the mortgage holder, who did

do an inspection. But, really, the inspection consisted, in that case -- it wasn't a building inspector. They came out and looked at if the value of the house was reasonable under the mortgage they were asking for, and the answer clearly was yes. The equity was definitely within the home. So they didn't follow it any further.

Well, ironically, when they actually started popping out ceiling tiles and insulation -- there was insulation there -- the vent that had been asked for by the mortgage company simply went up into the attic crawlspace and ended. It never actually went through the roof. So, consequently, all the moisture and everything else from a bathroom and from a shower was nicely vented up into the roof area and there were the most incredible stalactites and stalagmites. I mean, it looked like a spelunking series of pictures when he brought them in.

But really the bottom line there is when the work was done in the first place, it wasn't inspected. Again, my heart goes out to him, but it is something that is very difficult to get into. There are other ways to address some of those things, and that is perhaps what we should be looking at in much of this.

Within the Yukon, I certainly can confirm for the members opposite that there is no new home warranty program. We really do have to deal with the building inspection branches at the City of Whitehorse and the Yukon government who are the ones to inspect new construction to ensure compliance with the National Building Code. It really is the National Building Code here that we have to work with.

Some Yukon home builders do offer individual new home warranties through sales or construction agreements. People buying a new home should definitely demand this, but they should be demanding more and they need to take some degree of responsibility on this.

There are other things that a new homeowner -- and we'll discuss that in a little bit -- can do in terms of asking for third party warranties and third party liability. This is very common in the south. It is very common in southern Canada. It is very common in the United States and in other countries. I should point out for all of the members that there is no new home warranty program in the Northwest Territories.

In other jurisdictions, when we start looking across Canada, in British Columbia, Ontario and Quebec, builders have to provide home builders with third party warranty, which is mandated through legislation. Enforcement is usually provided by the company providing and delivering the warranty program. Unresolved disputes can end up in court, but that is the nature of the society we live in.

There are third party home warranty companies with very elaborate contracts, and there are a number of things on them. We really have two ways of approaching that one. We can legislate people to do this or we can educate them to do this.

I no more want to not make someone who is unaware or incapable of doing their own inspections or evaluating their own work -- I have a standing arrangement with a couple of contractors that as long as they don't try to spay their cat, I'm not going to try to do my own electric or my own plumbing. I'm not capable of that; I know that. Consequently, you do need

to get reputable people and you do need to have that available for the people who are most vulnerable and are most at risk.

But on the other hand, I would no more want to mandate that the Member for Whitehorse Centre or the Member for Mount Lorne would have to go to the expense of hiring people or to take out third party insurance or whatever when, within their own trades -- and I'm suspicious that in many, if not most, of the trades surrounding that, they would be very, very capable of doing their own evaluations of the quality of work. I saw that in Ontario where one very irate property management and construction person I worked with had to go to all sorts of expense to ensure that his house construction was okay when this man had been a general contractor for some 45 years. He wasn't really happy about that. So again, you have to look at both sides of that as a possibility.

In the rest of Canada, the decision is left up to the individual builder, and enforcement is provided through mediation or, again, unresolved disputes can end up in court. Typically, a new home warranty generally would include deposit insurance, protection against work and materials, as well as major structural defects. Additional coverage might include the defects in the home's building envelope. All these things can be done by third party insurance. They can be done by a good, solid contract. They could be done by withholding payments, which happened in the case of our ventilation guy running around, wetting his finger and sticking it in the outlets to gauge the flow. There was a holdback, and finally the contractor and I simply agreed that this was not a reasonable solution, and the payment was held back and put toward another contractor to solve the problem.

So everybody was happy in the long run and then, guess what? The heating and air-handling contractor vanished. We saw the back end of a white van and haven't seen it since.

Most areas have a strong Canadian Home Builders Association -- www.chba.ca if anyone is listening and wants to take a look at that on the Web. It provides information to consumers and builders to ensure professional standards are met in the industry. Again, when you're buying this asset, it is possible to negotiate something safely. That's something all of us should be looking at.

If we move around in some of the jurisdictions I did mention, in Ontario, for instance, Tarion Warranty Corporation, which is www.tarion.com on the Web, was formerly the Ontario New Home Warranty Program. It's responsible for administering the *Ontario New Home Warranties Plan Act*, which outlines the warranty protection that new home and condominium builders must provide, by law, to their customers. That is all specifically done up in the *Ontario New Home Warranties Plan Act*, which will outline the warranty coverage the builders are required to provide to their customers.

I believe it was for that that my friend, the contractor with 45 years of experience, had to pay the equivalent. Don't forget, as soon as you require the contractor to provide coverage or buy insurance, or whatever, you've increased the price of the house by the equivalent amount. You've increased what you're going to pay. That's not necessarily a bad thing, of course, but to require people to do that has some limitations.

The aggregate maximum warranty coverage for new homes and condominium units is about \$300,000. The maximum coverage for condominium elements is \$50,000 times the number of units, to a maximum of \$2.5 million, and I think you can understand fairly quickly, Mr. Speaker, that isn't an awful lot when you look at Toronto, Hamilton, London, Windsor, et cetera -- we are talking about Ontario here.

Coverage under the act includes deposit protection, protection against defects in work and materials, protection against unauthorized substitutions and protection against delayed closings or occupancy, without proper notice.

Thinking of that, Mr. Speaker, of course what comes to mind immediately is the case in the Vancouver area -- I don't think it was Vancouver itself, but it was one of the surrounding communities -- where the builder, a year and a half after he was supposed to be done, decided he couldn't do it equitably and simply returned the deposit the people put on it, left them hanging, and then promptly tried to put the price of the building up by \$100,000 each. Again, insurance, et cetera, can solve the problem. In that case, British Columbia is back in the courts again, so we will see where that goes.

Most issues relating to such a statutory warranty are resolved between builders and owners without the intervention of the Tarion group but, when necessary, they will help owners and builders interpret the limits of the act and intercede to protect consumers when builders fail to honour warranty obligations. While I am suspicious that this starts to fall out of the envelope of the Yukon Housing Corporation, there is no doubt in my mind that the staff of the Yukon Housing Corporation would be more than happy to sit down with anyone with problems and explain things to them, even to a point of coming out and getting a look at the building and seeing what the problems are and perhaps how they could be mitigated.

In that regard, there are a number of different programs that Yukon Housing Corporation offers to get into, at least renovations and repairs, which might mitigate some of the costs to them, and such, but we will get there eventually.

The Homeowner Protection Office in British Columbia -- www.hpo.bc.ca -- is a provincial Crown corporation formed as a response to many of the recommendations from the original Barrett Commission report on the quality of condominium construction in British Columbia. I think anybody who has even stumbled into a news program in a number of years will be familiar with that relative fiasco.

The report prompted the development of the *Homeowner Protection Act*, which passed on July 28, 1998, for the main purpose of strengthening consumer protection for buyers of new homes and improving the quality of residential construction in general in the province.

The act provided for the creation of the Homeowner Protection Office, which officially opened on October 1, 1998. That office, or the HPO, is responsible for residential builder licensing and establishing the framework for and monitoring of the provision of mandatory third party warranty insurance. The HPO has worked with the Attorney General's dispute resolution office to develop regulations known as "notice to mediate residential construction regulations" for residential constructions,

and that was passed in May 1999. These regulations are retroactive and permit any party to a residential construction dispute to compel the other parties in a structured mediated session. Mediation is often a more cost-effective and rapid method for solving residential construction disputes when compared with the court system. Such mediation services are available in the Yukon. There are people who do this and do a very good job of it, so that's another possibility.

If we go to Quebec, the Régie du bâtiment du Québec, or the www.RBQ.gouv.qc.ca, administers the guarantee plan for new residential buildings. The RBQ requires all home builders in Quebec to be licensed and to provide third party warranty coverage. So again, Mr. Speaker, it looks at mandating this, which may give protection to some, but be a cost and an inconvenience others. The guarantee plan for new residential buildings automatically covers homes and a large number of buildings held in so-called co-ownership -- or condos or strata corporations in British Columbia -- and was set up in 1999 by the Quebec government. It is administered by three plan managers and then authorized by the RBQ.

If we turn our attention to Alberta, the Alberta New Home Warranty Program was founded in 1974 by Alberta home builders -- and I point out, Mr. Speaker, by Alberta home builders, not by the government -- to provide a package of warranty protections and to encourage improved performance for the new home building industry.

Since its inception, the program has been a leader and innovator in the provision of warranty services to the home building industry and was the first program of its kind to be introduced in Canada. Alberta led the charge on this, but it was set up by the Alberta home builders and not by the government.

The Alberta New Home Warranty Program is a non-profit organization, comprised of a board of directors, a registration committee, a technical committee and, of course, staff. Builders become members and demonstrate their commitment to the clients' satisfaction. By joining the program, every new home and enrolled condominium they build and every buyer is safeguarded. If you're buying a new home or a new condominium, you ensure that your contractor is enrolled in this program and is in fact a member of the association.

The program's assistance may be requested at any time during your home's coverage period, during construction and even after possession. There are three methods of finding solutions and settling issues: mediation, which is a much more cost-effective solution, conciliation and arbitration. These processes can be used at any point. Obviously, outside of this if any party is not happy, it can still go to litigation and to court, but that is not within the purview of the Alberta New Home Warranty Program. This is a model that should be looked at. It's something that has worked very well since 1974 and continues to work well.

If we turn our attention to Manitoba, the New Home Warranty Program of Manitoba Inc., is a non-profit organization -- it's not government -- which ensures that your new home is free of defects in materials and in workmanship for the first year following the date of possession. In the event of a major struc-

tural defect during the first five years, the program will ensure that this will be corrected.

The program also assists with resolving differences between consumers and builders -- it's a private organization -- through the processes of mediation and conciliation, not legislation, and if no one agrees, of course the courts are always the last resort. Through the processes of mediation and conciliation, the program can provide the means to effectively settle disputes between the homeowners and builders. In Manitoba, it works quite nicely.

In Saskatchewan, if we turn our attention there, the New Home Warranty Program of Saskatchewan was formed by the building industry -- not by the government, by the building industry -- in May of 1976. It was really formed as a solution to the growing demand for new home buyer protection. Its purpose was to provide consumer confidence in builders and to protect the investment made by owners in the new homes.

The program is incorporated as a private, non-profit corporation. The program is governed by a board of directors: six builders are elected from among the builder membership and five non-builder members are also elected, including a member of the lending community and a consumer representative. The board members are elected on a two-year rotating basis.

If the parties can't agree on what should or should not be done, the purchaser may request the program to proceed to conciliation. The program will hire an expert or an independent conciliator to investigate the dispute. The conciliator will be a person who is an expert in residential construction, and his or her decision will be based on the warranty coverage contained in the new home warranty certificate. As well, their judgement will be based on building codes and new home warranty standards, as outlined in the workmanship and materials standards guide. Generally accepted engineering and construction standards are a part of this.

If any party is not happy with where that goes, the possibility of litigation is certainly there, but again, in Saskatchewan, it is incorporated as a private, non-profit corporation. It is basically operated by the building community itself.

The Atlantic Home Warranty Program was established in 1976 and was established by the Atlantic chapters of the Canadian Home Builders Association -- not by government, Mr. Speaker. The Atlantic chapters of the Canadian Home Builders Association is a private, not-for-profit organization comprised of hundreds of builder members and led by a board of directors.

It provides new home buyers with a third party warranty through individual home builder members. Anyone who purchases a home really has to look hard at this and negotiate with the contractors and with the builders -- the standard for many, many people is a 10-percent holdback for so many months -- and set it up and do it in such a way that the work will get done and that it's a reasonable time for all concerned. It has to be a win-win situation.

We have certainly stressed that all the way through, as I think about that, Mr. Speaker, with the work that we have done with China through Economic Development. Both parties have to win or it's not going to work. So anything that is particularly

draconian in one direction or another is simply not going to go anywhere.

If you look at the building safety codes and the National Building Code, there are building codes that regulate the construction done under building permits. This is both for health and safety, structural stability, and structural sufficiency. The National Building Code is, I believe, the one that we really use here.

What's not regulated -- and the member opposite is certainly correct in that -- is that the workers and their workmanship are not necessarily regulated. That's really where consumer education comes in. Consumers who are looking to hire a contractor to build a new home should protect themselves and their investment. Hire a reputable contractor.

I see the Member for Porter Creek Centre is definitely agreeing with me, so I won't apologize to him then.

They really should be getting references and looking at other things that these people have built. Going back to the movie that I referred to, *The Money Pit*, with Shelley Long, I think if anybody arrived in the middle of that, they'd have second thoughts about some of the contractors that were there. They must ensure the workers are covered by workers' compensation, or the homeowner could be liable if a worker gets hurt. I think what a lot of people don't realize, Mr. Speaker, is simply hiring a company is not necessarily all that you have to do, because if it comes down later that that company is not covered by workers' compensation, guess what? You're the one who is liable, as well as the business owner. How many people do that? And I include myself in that.

Be suspicious of deals that look too good to be true, because the chances are that they are too good to be true. Under the table cash deals -- they always sound really good, Mr. Speaker. I don't think there's probably anyone in the world who hasn't done that to one degree or another, but the reality is, when you're dealing in large projects, you have to wonder what you're going to get. If you're trying to save a couple bucks here and there, you're likely going to get clobbered pretty heavily in the rest of it. When out-of-territory licence plates start arriving, start wondering, start worrying. Why are all these Alberta plates coming in, when you hired a guy in Hillcrest? It might be a legitimate situation; it could very well be, but check on it. All of these are signs of contractors who are, as the saying goes, "flying a bit under the wire", and trying to make a bit of a quick buck. If anybody is going to disappear, the chances are the guy with the Alberta or the Nova Scotia plates is the one who's going to disappear. So be real cautious about those sorts of things.

Building inspection -- as I mentioned before, Mr. Speaker, I'm one of the few who seems to like building inspectors. Look at footings, framing, setbacks -- all these things. You know, consult the inspectors right off the top; utilize them. Don't necessarily believe that that sheet metal contractor you just hired is going to do a perfect job to code. He probably will, but I'd kind of like to have the building inspector tell me that that's going on as well. In the end I think you'll save a fortune.

One of the things I did in the last new construction that I had any kind of involvement with was -- thank God for digital

photography -- I stopped by and took pictures. Every day I took pictures -- thousands and thousands of pictures -- and everyone laughed. But after awhile when people asked, "What is behind that wall?" I could pull out 10 pictures and show every stage of exactly what was behind that wall. You know: where does that duct go? I had photographs of where that duct went, top to bottom. It made it a lot easier in the future to maintain; it made it a lot easier to renovate; it made it a lot easier if a building inspector came by and either couldn't read his own handwriting -- which happened in one case -- or just a different inspector came by and wanted to see what was there. We could pull out the photographs all the way.

Look at smoke, carbon monoxide alarms, interior-exterior cladding -- we are dealing with a problem where all the vinyl siding is falling off. Some of it is landing in Carmacks -- my apologies to the Member for Mayo-Tatchun, but when the wind catches it, I am sure it is coming down in Carmacks. It was something that looked good but, in the absence of getting it properly inspected, we are now paying the price for that.

Proof of septic system acceptance -- don't necessarily believe that what went underground is there. I've seen people talk about their septic system and, when it failed, they dug it up and found a holding tank -- a big holding tank, but a holding tank nonetheless.

Dealing with real estate agents is sometimes a little bit better because the real estate agents do have a code of ethics. They do have things they deal with that are up to snuff. A friend of mine in Ontario is a real estate agent who advertised a house, sold it, got a good price for it, made a nice commission, and then had the new homeowner call a few days later and ask when the real estate agent's electrician was going to show up and rewire the house. It appeared that the real estate agent put an ad in the paper saying that it had a 200-amp service. Unfortunately, she hadn't bothered to actually look at the panel and the panel was 125 amps. It cost her \$3,000 for the rewiring to put the 200 amp in because, as a real estate agent, that was what she advertised. When you are dealing with real estate agents, you have a different level of assurance and certainty, and you can deal a little bit better with that.

Even with building code compliance, much of the building code, if you read it, doesn't say that this is the absolute be-all and end-all. It doesn't say that this is the best you can do. It says this is what the minimum is.

Given particular circumstances, you have to assume that in some cases you may want more or a slightly different standard. The building code in general may not relate to the quality of the work or to the warranties, or in fact, not even to the workers. You've got a big thing there that you have to deal with.

We do have a *Builders Lien Act* under the Yukon Land Titles Office, and the purpose of this act is to regulate the procedure for registering and discharging liens on real property by persons who are owed money or benefits from work that is done. This can work in a variety of different ways. This type of lien covers persons doing work on or furnishing materials and such, who are hired for services or labour or to furnish materials, construction or improvements on the property. Within consumer services, they do license, for instance, insurance compa-

nies and their agents -- collection company agents. They also -- if anyone is wondering -- license funeral directors, clergy, pawnbrokers, second-hand dealers, private investigators, security guards and security agencies. They also license everyone from chiropractors, licensed practical nurses, optometrists, pharmacists -- so quite a bit.

In general, that would not be an office that people in home construction would come to. Most likely, through the courts -- directly by a mediation service offered by the courts -- would be the way that they would go. This government raised the limits in small claims court to \$25,000, which gives a little bit more security or assurance to the homeowner in terms of what they can get with that.

One of the other things that could be done -- and I don't believe that we have an equivalent to this in the Yukon. There is the Canadian Council of Better Business Bureaus -- www.ccbbb.ca. Better business bureaus started in the United States in 1912 and came to Canada in 1935. There are currently over 170 bureau and branch offices in Canada and the United States.

The Canadian Council of Better Business Bureaus is actually located in Toronto, Ontario, and it's the governing body of the 14 better business bureaus across Canada. The 14 Canadian better business bureaus are located in the following cities from coast to coast: Victoria, Vancouver, Calgary, Edmonton, Regina, Winnipeg, Windsor, London, Kitchener, Hamilton, Ottawa, Montreal, Halifax and St. John's.

In addition, 145 better business bureaus, as I mentioned, serve in the United States including all 50 states and the Commonwealth of Puerto Rico. Notice that in that list, I didn't mention the Yukon. That's another thing we could be looking at that would have some degree of protection for home buyers.

The Canadian Council of Better Business Bureaus, as an organization, a council, was established in June 1966, and coordinates and licenses the 14 individual bureaus. The Better Business Bureau is, again, a private, non-profit public service organization financed by the private business sector with local bureaus serving communities and marketplaces across Canada.

The Better Business Bureau mission is to promote and foster the highest ethical relationship between businesses and public through voluntary self-regulation, consumer and business education and service excellence. When I did my time in Toronto, it was not an uncommon thing to give the Better Business Bureau a call and ask about a company you might be dealing with. We would be told that there were no complaints or there were 14 complaints and, of the 14, six were resolved and eight remained outstanding, and so on and so forth. Again, it gives you information on who you're dealing with, how you should proceed and what level of security you should necessarily ask for.

The Better Business Bureau promotes trust in the marketplace in a variety of ways. As I mentioned, it does collect complaint histories and other information about businesses, and it provides consumers with unbiased reliability reports to better enable them in their purchasing decisions. Of course, when you are buying a house, you would like that information.

The Better Business Bureau also evaluates businesses against objective standards, permitting only those businesses that meet and uphold standards to join in supporting the Better Business Bureau mission. Of course, it's always good information to be told, "Well, they used to be a member, but we kicked them out two years ago." I'm going to get right on hiring that company.

When disputes arise, as they can even in the best of business relationships, the Better Business Bureau offers impartial dispute resolution services to solve problems quickly and fairly and in a way that helps to preserve a healthy relationship between a business and its customer. One of my favourite Web sites -- I think everyone either has or has seen at least the so-called motivational posters, "If you climb the highest mountain ..." Well, if anyone is sitting next to a computer and wants to have a little fun, go on to the Web site www.despair.com. They have a series of de-motivational posters. One of my favourites is a telephone with cobwebs on it, and the caption reads, "If we keep trying to deal with our customers this way, maybe they'll stop bugging us."

Most businesses are good. They want to satisfy their customers. They want to work with you. That's how they generate business. That's how they grow. But you always want to know the company you're dealing with falls in line for that. So, even the best relationship can have problems, but you want to have an impartial dispute resolution system service to deal with that.

In 2005, Canadian better business bureaus provided consumers with over 2.3 million company reliability reports and helped resolve over 14,000 complaints. Those are Canadian statistics, Mr. Speaker. The Better Business Bureau is unique because of its position of neutrality and an outstanding history of service. As with any success story, there are imitators, of course, but none have the stringent operating and objective evaluation standards of the Better Business Bureau, and none have a comparable history or reputation for integrity and reliability.

Really, what they're striving to do is have an ethical marketplace, where buyers and sellers can trust each other and to stay as a leader and advance the marketplace trust. As I say, the way they do this is to create a community of trustworthy businesses, to set standards for the marketplace trust, and to encourage and support best practices. We on this side of the House refer to that all of the time, of course, in terms of minding an environment -- that we always have to be continually looking at best practices and following them. We want to celebrate marketplace role models. We want to denounce substandard marketplace behaviour.

So, all of these things are of value to a group like the Better Business Bureau, and this is another way we could accomplish what we need: commit to the values to guide all of the decisions and behaviour with each other and everyone. That works.

We have to communicate, and communication is always a two-way street. We have to treat everyone with respect and dignity, valuing individual and cultural differences. People are our fundamental asset, and we have to empower them to de-

velop and use their talents and capabilities to the fullest. So this is another way that things like this could be handled.

Really, when we start looking at some of these things, in terms of negotiation and such -- I mentioned real estate agents. Real estate agents traditionally sell homes and sell homes for a third party. There are structures. I know that in Ontario -- and I suspect it's the same in Yukon, but I'm not 100 percent sure -- things like condominium complexes and this sort of thing can hire someone to act as their agent but not necessarily be a licensed real estate agent. So, again, be cautious with that.

Make sure the person is licensed and really start looking at utilizing the services of someone like this. Find someone who is reputable and whom you really want to deal with. You have to look at all the different things that you want and take some advice. This is not a decision that you're going to make in an afternoon because, once you've made that decision, you're into problems of home ownership that will offer a great number of benefits -- you know, building and saving for the future, creating an environment for your family; you can go on and on.

But you are also contributing to a mortgage. You're also contributing to the profits of the people who build it. There is equity in time, hopefully, if you didn't go through the great disaster of Ontario of the late 1980s. The home will increase in value.

You make the decision of what you want. What are your requirements? Bedrooms? Bathrooms? What type of property? Proximity? What financing do you have available to you? What is your target price range? How are you going to pay for it overall?

You have to be realistic about all of that, of course. That comes into the problem, especially in a tight housing market where you perhaps have a builder who has potentially several people to sell to. You're the one asking all the questions and guess what? You might not be the one who is going to win the bid.

In general, if that's the case, then the chances are pretty good that you didn't really want to get involved in that in the first place.

You want to really look at everything that's in the area and go through that. You want to identify all your features and utilize home inspection services. Again, we have to point out that the home inspection services are not necessarily binding; they are not necessarily a great assurance, but they are another tool on the tool belt. You have to look at that point and get the good advice and find out what potential problems are there. Home inspection, as I say, from a mortgage company, may be simply coming in and saying, "Yeah, you are asking for a \$150,000 mortgage; we figure the house is worth at least \$250,000, so, yeah, we can do that."

That doesn't include actually looking into anything. It doesn't include even opening the electrical panel to see what's inside. So spring the extra bucks; get a home inspection. The little bit of money you are putting out at that point in time is more than worth it in the long run. As I mentioned before, if the real estate agent says something, they are bound to live with that. The builder may not be. The builder tells you it's a 200-

amp service; that's nice, but when push comes to shove, that might not be the case.

There are programs that help with down payments. Strata and condo fees -- do they include repair? With condos here, for instance -- certainly, the ones I've had experience with -- the shell of the condominium and the common property is part of what you're paying for within the fees, but what is inside the building is your problem. In other words, if the roof springs a leak, it's a condo corporation problem, but the drywall it wiped out on the way through is my problem.

You want to look at water quality. We've seen one case here where a homeowner tapped into a public well and enjoyed it for years. It was a great arrangement until they went to sell the house and the home purchaser wanted it tested and, guess what? It came back not the best, and it ended up being quite a little disaster.

Loan insurance for a mortgage: what happens if one partner passes away -- or whatever -- leaving the other partner with the inability to pay for that or for renovations.

Again, that is all part of that -- service utility hook-ups. You can go on and on and on about what you have to look at within this. I have seen cases where people have bought a house and gone to hook up cable and then tried to tie their computer into it and found out that it couldn't be done where they were. They had to go a totally different route. There are things you have to look at extensively.

In returning again to inspections as really being the key-note to all of this and to getting qualified people to look after it and inspect it -- when I say qualified people, that is on top of the hopefully qualified people who were hired to build it in the first place -- inspections certainly make the difference.

However good the warranty is on that home, however, a good warranty and that warranty alone will not necessarily ensure a quality product. It might ensure defects are repaired, but it's inspections during the course of construction -- don't just think you are going to do one at the end, because you have no idea what is behind that wall or what's really in the back end of that panel. During the course of inspections, get those defects repaired as you go along. If it's a good quality product with few defects and fewer hidden problems, then you have more and more guarantees along the way that you are going to have something that you can deal with.

A good example of that, of course, is what we are going through now where a contractor has installed a heating system into a public building that is not capable of heating that size of space. That will be addressed through insurance. That will be addressed through agreement and will not cost the government anything because the effect was that it was done and negotiated well in advance.

Mistakes happen -- we can't really draw any other conclusions to it, but sometimes mistakes happen.

Again, it depends on what you have, and there are so many private companies, or you may negotiate a better warranty with a builder. They can cover a variety of different things. For instance, you could cover repair and replacement costs, and it could cover appliances and other systems if they quit working. The problem there is that there may be other warranties on

those products. The home warranty could go beyond or be an extended warranty. It can be any one of a number of things with that. For instance, if you suddenly have to move out and move into a hotel or Aunt Sarah's for a couple of months, what will be covered there? That should be part of what's included in that.

We have to really point out that the home warranty can be purchased either by the home buyer or the seller. It can be asked for or purchased by either party. Don't just go to a contractor who says, "This is what I have to offer." The counter-offer, of course, is, "Here's what we want."

On the other hand, don't be surprised when they say they can do that and then give you the additional cost to the house. That's not necessarily a bad thing; it actually might be a relatively good thing, so don't write that one off at all.

The solution to that could be at the closing. It could be part of the sales contract or part of any number of things. If you're constructing a new home, it's likely the builder is required to provide a warranty of one year or more for problems in most jurisdictions, but in many jurisdictions that isn't the case.

Again, that's between the buyer and the seller, and I have to caution to a degree that some people buying homes are good enough tradesmen that they would just as soon do that themselves and save the money. They should have that ability, in my opinion.

If you search the Web, you'll also find a number of sites that have self-built home warranty programs -- in other words, you can purchase one yourself if you're building your own home. The Member for Mount Lorne might be building his own home and be more than capable of doing it, but he'd like that extra little bit of comfort and would then have the ability to buy a self-built home warranty product. It's an individual sort of thing if you're doing that, but it's available.

The one thing that you should not confuse here, however, is a home warranty with a hazard insurance policy. A warranty replaces, basically, items that fail on their own. Hazard insurance takes care of items damaged by fire, wind or other covered events. That's an important distinction for a variety of reasons. People think that it's insured or that the warranty covers it, and, gosh, the wind came up and blew a tree down on the side of the house and you find that that's not covered; that's a hazard.

One of the stranger ones that I happened to stumble into, again, in Ontario, was a fellow who was building his own home -- very good carpenter, beautiful construction. Once he had it all up and framed, he got nervous, and he thought maybe he had better get some insurance on this place, so he drove in to pick up the insurance. Well, guess what? A little tornado came through southern Ontario and took the house down -- it was left as a pile of rubble -- while he was away buying the insurance. To tell you the truth, I don't really know what the outcome of that was. Nobody really ever wanted to comment on whether he saw the storm coming up and wanted to jump into this, or whether it blew down and he immediately got in the car and drove in to buy it, but think ahead and get the stuff ahead of time.

Some home warranties cover the roof. Some home warranties specifically don't. So that's something else to be very much aware of. Some standard warranties may pay repair or replacement costs for plumbing. Again, I mentioned appliances, heating and cooling units. And yet, when you start looking at all of the various complaints that come up on these -- one company, for instance, well thought of, has a \$100 deductible. Now, that sounds reasonable, until you realize that one cascade of problems may, in fact, be five distinct parts, and you've just been dinged \$500 deductible for each part. Did the pipe burst and lift the floor and wipe out the drywall? Are they three separate instances or are they a cascade of instances? So you have to look at that sort of thing.

They all vary and each policy should be studied and reviewed. Some warranties will cover a private well and a septic system. Other items can be added on to with a standard policy like a home insurance policy where you can have a global policy on your insurance and then rider for professional tools or jewellery or whatever.

The warranty coverage can sometimes be different for buyers and sellers. For instance, a standard policy might not pay a seller's repair bill if the furnace fails before closing, but it will cover the buyer if it happens after the sale. That was a strange incident with one company.

Make sure you read the fine print to be sure about warranty coverage for your particular situation. I remember dealing with a bank years ago, when there was a problem in the deal. I was handed four and a half pages of fine print and told, "Well, you signed it and there it is." It was, but much to the bank manager's chagrin, the next time I went in and they handed me four pages of fine print, I asked for a coffee and a desk. I sat there for three hours, went through it and made notes. Fair is fair.

If you're working with a real estate agent -- most real estate agents will have literature and available contacts from home warranty providers. Talk with the real estate agent. It's never a bad idea to get a real estate agent involved. There's a marvelous series of television ads on right now that has the personal trainer or the mother acting as the real estate agent and some of them can be quite scary. There's a lot to it.

How long is the coverage? This is another big thing and very much a contentious issue in some companies. Typically, it's effective for one year with an option to renew coverage by an expiration date. The renewal cost might actually be a lot higher than the fee for the initial policy, so you have to look at that. I remember a cartoon that was up at one of the car dealerships that showed this sort of astronomy observatory and a big ray gun with two guys standing there. It says, "Well, let's see whose warranty runs out today," and the gun is aimed down at somebody's car.

What's the cost? Well, the cost varies. In the United States -- which probably has better stats on this at this point in time -- \$350 to \$450 is not uncommon. I have seen prices up to \$1,000 and some higher. Again, is this worth it? I would argue that yes, it certainly is. The best bet is to sit there, make notes, surf the Web -- it's a thing we have available to us these days that has really changed the way business flows -- and make separate columns for each one, check off items that are covered by each

one, find Web sites that make these comparisons. What is included in the standard coverage? What can be added or must be added as separate policies, and what is the extra cost to do that? What is the co-payment? What is the amount you'll pay when a repair person comes out to fix a failed system? Similar to health insurance, a co-payment generally covers the entire cost of the repair. But you have to know and check all of that.

Has the warranty company been around long enough to show you a good track record for customer service? Again, while you're looking at the qualifications of the contractor, look at the qualifications of the warranty company because that is going to be quite a different situation.

The home warranty can make the home more attractive to potential buyers. Appliances and such are nice and some of the others, but on a resale, if or when that occurs, the fact that it went through a warranty time period -- and keep records of all of those repairs. What went wrong, if anything went wrong, and how was it dealt with -- that could be a very important selling point.

Check and find out if the insurance is transferable because many of these are not transferable. In other words, if suddenly nine months later you are transferred to Oregon and you want to resell the house, you will find out that the new owners aren't eligible to pick up that insurance policy; it would have to be terminated and now the new owners are on their own. That is something to certainly be looking at.

The main thing, too, is that these can be purchased if there are problems. For instance, even on a routine sale, some companies will offer that if anything goes wrong following the sale. I could make a joke at that point, Mr. Chair, but I will avoid that one, I think.

The price of the home warranty is really minimal compared to the price of the house. Since the policy can be paid for at closing, really you are not out any cash until the home sells, and it's really good peace of mind. That's the way that would really benefit sellers.

In terms of the buyers, the buyer may be a little cash-shy after coming up with all of the funds to do the closing and getting everything looked after. That's all you need is to buy a place and have the refrigerator die two months after you purchased it.

There are no rules that state who must pay for a home warranty. A seller can offer it as part of a marketing package; a buyer can purchase it or ask the seller to pay for the policy. Both parties can agree to share in the cost. These are all things to be negotiated. I think in an open and honest way of looking at things, you will find out that this is a very reasonable approach.

Again, if I go back for a bit to the inspections and such, within the City of Whitehorse inspection services are done by the municipality. Outside they are done by territorial inspectors. There are a number of steps within that. The planning and development services within the City of Whitehorse provide a good example of giving planning advice and the actual inspections. They provide that to individuals, the public, to city council, to various city departments and city businesses, so they do a wide range of things.

The department also administers the official community plan, the zoning bylaw and the subdivision bylaw, as well as the building and plumbing bylaws, the heritage bylaw, easements, leases -- it just keeps going on and on. They are the ones that you deal with in terms of development permits, concepts, building permits, heritage designs in some areas -- certainly with subdivisions -- variances, zoning. They also are available all the time to advise and assist.

Again, I've had very good luck personally with going in and having informal discussions, learning a lot and getting some really good ideas in terms of what I am doing.

Zoning within a municipality -- and I know there has been some discussion in the House, and that is something that is a municipal issue -- certainly has nothing to do with the territorial government, but it must be done in accordance with terms and conditions of a development permit, which is issued pursuant to the zoning bylaw. This planning and development services department administers those applications, and really it's something that you should be looking at, even if you're buying from a builder or ask for it to be provided or go in and talk to the various people involved in that.

Applications for subdivision should be in order. Condominiums are always a bit problematic, and there are different ways of looking at things, property realignments. Again, I've known people to buy a property and find out that their porch is on someone else's property. I've seen some pretty bizarre situations.

Perhaps I'm a little bit off, Mr. Speaker, but in terms of the value of dealing with these people and dealing in and around the warranty issues, I know of a person who went out and saw a for-sale sign, fell in love with the property, and went in and asked the real estate agent if they could take a look at it. The real estate agent basically said, "Well, you know, you can see the boundaries. Go out and do it." So they did. They put an offer on the property. The real estate agent took it, sent it off to the owner. It was accepted. So they went for a building permit and defined the property -- didn't bother to go in and really talk to them, just submitted the forms, got it, hired a surveyor to go out and survey this piece here. They didn't really talk to anybody, so the surveyor went out and surveyed it. They hired the contractor and said we want the house there. We want the bridge over the creek there. We want this; we want that. Again, they didn't really talk to anybody about it. Once the house was done and they were having a nice celebratory barbecue on the front lawn and had someone come up, looking around, and when the owner went over and asked who they were, they said, "Well, I'm the owner of this house. They said, "No, it's our house. We just bought it." He says, "No, you bought the flat ten acres up on the agricultural property." He built the house on the wrong property -- a \$500,000 home. By the time it went through the courts, the insurance company ended up paying because the real estate agent didn't go out and actually show the property. Everyone was severely chastised -- particularly the so-called owner, who, in fact, never bothered to go in and talk to anyone from planning and bylaw.

That's what I love about this job, Mr. Deputy Speaker. Just when you think you've seen the most bizarre thing, you go to work the next day, and something's even stranger.

The subdivision is another big thing and that, of course, is often involved in new home construction. You have to be very, very cautious and get the guarantees and do the paperwork -- that that application for subdivision was complete and was done properly. If there are heritage implications -- and it goes on and on and on in terms of what could potentially be involved within that. All of this should be in writing. This all falls under the thing of a warranty. It's not just that the roof isn't going to cave in or the door isn't going to fall off, but that the house is where it should be. Again, if you're dealing with a reputable real estate agent, they should be looking after all of these things, or at least they are completely liable when that actually comes down.

We have to look at a variety of blending of things here, Mr. Speaker. You have to really look at blending all the possibilities. It's not a one-size-fits-all solution, as the members opposite continually refer to. One-size-fits-all does not work in most cases. With all due respect, it certainly doesn't work in the Yukon because nothing seems to be that straightforward in many areas.

You have to look at the legal, financial and emotional considerations because there may be things built into that that you're not expecting, and that has to be examined. You need to walk before you run and get over that first-time buying experience. I think the member opposite is correct when he says that people will buy copies of consumer reports and do more research on what toaster they are going to get than on what house they will buy. They go up, they take a look at it and they fall in love.

Again, I think of an ad that's running on TV now in which a couple goes in and, as the husband looks at the very complex electrical panel, a little "Sold" sign goes over his head. And a few minutes later, the wife is looking at a walk-in closet about the size of this Chamber and the "Sold" sign goes on over her head. We all have our priorities, but the fact of the matter is you have to look at the total package. Getting someone to do that evaluation with experience in these things, because even when I'm recommending a real estate agent or that people deal with a real estate agent, deal with one with experience. You don't necessarily get the first person who is out the door and who got their certificate last Thursday. They are going to know a lot -- a heck of a lot more than I do -- but you want somebody who has seen all the variations. That was the running joke in Toronto: don't get seriously ill on July 1; let the interns get a few months' experience before you get sick. There were teaching hospitals all around us.

Being house poor is certainly a very uncomfortable existence. People who are rich but cash poor have their own set of problems. But without a proper warranty, and without some sort of a guarantee in place on that, the member opposite becomes quite correct: that it's not a win in the long run.

I've seen people who have a beautiful home but no furniture. They've got this great house, but they can't afford to actually put furniture in it, or a life where they're literally working

overtime constantly in order to support this house, and the stress that that would put on a family.

So, certainly, stay within your means and get those supports in place for warranty or guarantees or whatever it is that you have.

And it can be a really nasty surprise, I think, to a lot of people when you assume that the person you're working with represents you, and you find out that they actually represent the seller. They don't represent you. That's not a criticism; that's the reality.

By not taking the time to investigate and familiarize yourself with the laws regarding real estate agencies, or by rushing out to look at homes, whether in person or on the Internet, and contacting the agent advertising the house, who is usually the listing agent and absolutely representing the seller -- does that mean that there would be anything unethical? No, of course not. They're still bound by their own ethical codes. But, in general, remember that this person isn't working in your best interest.

The biggest pitfall of all -- and I think this comes in with the new homes and the need for warranties. It's a huge pitfall when you try to represent yourself in the purchase of a home, thinking that you're going to save money. The person who goes in for a private sale, thinking that they're going to save the seven-percent commission -- well, guess what? The seller is also looking to save that seven-percent or whatever commission. So, consequently, you're still negotiating from exactly the same position. And even if you can come to an equitable discussion on that, and an equitable ending to the whole thing, the chances are still pretty good that you've cut yourself out of your best advice. You know, it sort of ranks with home dentistry.

I mean no disrespect to developers or builders, and I'm not implying that anything is unethical, but most developers and home builders have done a number of them. They're fairly savvy. They know what they're doing. They're going to be better at the negotiation; they're going to be better at handling what happens in terms of home warranties; they're going to be better at all of this. So if you're going in without representation and without a comparative market analysis, how do you really determine a realistic selling price for property? You need to look at everything else and these days a real estate agent can do this on the computer in a matter of moments.

There are huge numbers of variables. Look at mortgages as another factor in all of this and what you can afford to put into a home warranty -- the types of mortgage, terms, lenders and many points too numerous to mention. You have to investigate the options carefully. Don't simply accept the first plan presented, whether it's from a mortgage broker, from an agent, or the recommendation of a friend or a relative. Spend time comparing all these things and get the most advantageous plan for your requirements and your financial situation. It's really easy to get yourself in trouble.

I was very pleased when the Yukon Housing Corporation Board of Directors approved proposals to increase the amortization time period up to a potential 30 years, because it does substantially drop a payment. That's not good for everybody. People may still find themselves in a great deal of difficulty,

look at this and say, "Gee, that's nice. It's going to drop the payment, but 30 years! Good Lord." Where are you going to be in 30 years? We don't know where we're going to be in five years. There are days around here we don't know where we're going to be in five days. Take a look at those plans and talk to somebody with experience with that.

Pre-qualifications and pre-approvals are a necessary part of the whole home-buying process. Whether it will give you an exact price range -- it should. It will give you an idea of what you can afford within your situation, and it will add a great deal of strength to the offer.

If you are walking in with a pre-approved mortgage, the chances are that home seller is going to look at you a lot more seriously.

A lot of first-time buyers -- driving around in parts of Whitehorse that are heavily under construction, if you look around long enough you are going to find a home that comes pretty close, but don't make the mistake that you are going to find a home that meets 100 percent of the needs and wants that you have laid out.

My family -- we did this -- we did a chart of everything that each of us wanted, and we did it individually. By the time we finished and put the charts together, we found only one or two things that were different. We basically wanted all the same things on that. By the time we found a house, we had everything but one. Well, okay, at least we knew where we were going to go and what we had to do with that. So, don't make the mistake thinking that you are going to find a single house that meets everything. There are thousands of variables.

Location: the house that really is what you want may be in the wrong area. It might be a completely wrong style. It might be huge compared to what you need or think you need or it might also be quite tiny. What is the condition? It might be just what you want but it needs a lot of work. So, don't make unrealistic goals about the whole thing and really evaluate what is there.

There are two potential problems with this strategy. First of all, a lot of these people will pass by 90 percent of the homes that meet much of what they want only to eventually give up and go way down the list of what they wanted. By the time they get to that point, they are so worn out that they'll take anything that goes by. Second, while they are waiting for that perfect home, the housing market prices -- and often mortgage rates -- are rising. We are all aware of that. With all deference to the Member for Porter Creek South, I do apologize for the strength of the economy at the moment and the effect that has had on housing. That is not a bad problem to have at this point. If we have to have problems, that is the one that I would have ahead of some of the others.

While you're waiting for the rising prices, the expense of purchasing is likely to go up. We waited a year to find the right home; houses might have gone up in that area 15 percent, so they paid a premium for that.

Determine what is most important to your needs and the most desired wants on your list, and then select a home that meets the majority of them.

Don't shortcut the house inspection processes. That can involve everything from skipping a whole house inspection completely in order to save a few hundred bucks, and that is really a false economy, or you get your Uncle Bob to take a look at it and then find out that Uncle Bob doesn't know much more about it than you, but he did a really nice job building the bookcase in his living room. Get somebody who's qualified.

You run the risk of overlooking potentially expensive or even hazardous defects in the property. It costs \$200 to \$500 for a professional house inspection. It's a really cheap investment in the long term.

While we're talking about house inspections -- and this is an integral part of home warranties and knowing the level of warranty that you want and need -- to a degree, it depends upon the type of financing you choose. Some are happy with one inspection. Granted, in parts of Yukon you may have problems getting more, but in many jurisdictions it's not unusual to get two or even three separate inspections of the house once you've settled on what you want. You want a basic inspection, and then you might want to have a loan institution take a look at it -- although remember they're looking at it with totally different eyes -- or at a closer time to the purchase, you may have some concerns over the electrical or the plumbing. The value of that, or even multiple inspections, is something to give great consideration to.

It's easy to get into simple ignorance and the spur of the moment -- everyone's running around, jumping and having a grand old time now they have this house and then, after the close, it's suddenly, "Oh my God, we never actually had anyone look at it" and the electrical panel falls off the wall.

So, spend some time. Don't just simply, as you would with your toaster, take a look at consumer reports and make your decision in an evening. You'll sleep a lot better and you'll sleep a lot sounder, once you've moved in, and it gives you that escape hatch. If there is a warranty, or even if it goes the full length into litigation and goes to the courts, you've been shown to have tried to mitigate, and that's a huge concept in civil law.

If you have done nothing to mitigate the problem, the court will look at you, nine times out of 10, in a very different light. If you have made every reasonable effort to deal with the problem, that's a totally different situation. So don't even let the real estate agent or family or friends -- and certainly not the seller -- dissuade you from having a property thoroughly inspected.

Now, there are points that are humorous. I once was looking at buying a house in Ontario and asked a good friend of mine and, again, a contractor for 45 years, to come out and take a look at it. Well, his opening line, after he stopped laughing, was that the walls were two-foot thick solid stone. It was an old 1800s farm house. Actually, it was a former residence of the Lieutenant Governor of Ontario. The walls were two-foot thick, solid stone. He just laughed, and he says, "And you're asking me to say if it's stable?" But he had some very good things to say about the plumbing, the electricians and, guess what, Mr. Deputy Speaker -- the barn fell down. We didn't buy it, and he warned us about it, but the barn fell down about two years later. So don't rule out the possibility that you're at least clogging those holes.

If you're not satisfied, have an option to cancel the contract -- write it into the contract, "subject to inspection". Set time limits for the inspection. The seller certainly has the right and would be crazy if they don't say, "Well, I'll give you so many days or a week or 10 days to do that inspection and take the restriction off." But you should have the right to do that inspection. They're really designed to disclose the defects of the property that could materially affect safety, liveability and resale value. Wrong colour on the wall doesn't cut it, but certainly a lot of the other things could. They are not designed to disclose cosmetic deficiencies, but you'll need to determine on your own those types of items that will need attention. Don't necessarily think that the house inspection, either, is going to be complete. Don't wait until you've placed the offer on the house before you begin the search for a home inspector. There's nothing more frustrating than to put in an offer, have it accepted subject to inspection for seven days, and you find that of the three people available, all of them are in Mexico for a two-week holiday and you're in trouble. So have the things lined up before you go out and do that. That's certainly part of the whole warranty and guarantee process.

Typically, seven to 14 days is reasonable for that but, again, there may be other circumstances. There may be circumstances within the real estate office -- and this happens certainly with reasonable regularity -- where the seller will want to put it in that it is under offer, but if a better or matching offer comes in, the seller has the right to give, most often, 24 hours for you to firm up your offer or withdraw. So, consequently, you could find yourself, with all the best intentions, in trouble. So, again, talk to the home inspection people and get that looked after.

Look at the quality of what these things are. When I talk about plumbing, it is not just pipes from point A to point B. If you're looking at a security system, it may be nice if it looks like it has a built-in security system but then you find out that it's completely inadequate -- it doesn't cover the areas you want, it doesn't go anywhere, it can't tie in, and the police in that area don't respond to the calls anyhow. All of a sudden, the security system isn't much of a selling point. Look at all the possibilities with that.

As you're moving through this process, of course, and looking at all of this, with new house construction, in some respects people would argue that you have new materials, that you don't have to look for cracks in the foundation -- I've seen it in new houses. Shifts in the foundation -- I have seen that in new houses. So don't necessarily go through and say that all these things are going to be looked after with a new house. Do more research on that before you close the deal and sign the contract, before you put yourself at risk.

At some point, shortly before the date of final closing, it will be necessary for you to make that final inspection of the house. In a final walkthrough, in all probability, you will be accompanied by the agent, the seller or the builder who will help you examine the house. This is to verify that all items that you've contracted to buy are there and that items that you have not contracted to buy have been removed.

For example, you really don't want to arrive at your new house after closing to find that the chandelier in the dining room has been replaced by a cheap overhead fixture -- I have seen it -- or that the draperies and window treatments that were specifically referenced in the contract are not there.

You don't want to move in and find that numerous items have been left by the sellers because they didn't want to move them or take them to the dump, and you have the back yard filled with garbage.

When you do the walk-through, pay particular attention to the attics, crawlspaces, basements and garages. If the sellers have not moved yet, you may still get a clear picture that there are certain items, since they aren't boxed or appear to be ready to move, that they have no intention of taking them with them. And this goes again for the new house and the contractor who is leaving leftover materials, although some of the leftover materials may be very beneficial -- extra siding and that sort of thing are always handy to have stashed away. Work this in, with full and open disclosure.

Take your time in what you're doing. You don't want it to be a quick walk-through, or have the other person look at their watch and say, "Gosh, I've got a lunch appointment in 10 minutes. Can we get on with this real fast?" The bottom line is, "No, we can't. Go to lunch. See you this afternoon. We'll do it then."

Another pitfall to run into -- be it a walk-through, an inspection, insurance, or a warranty -- is that many of the buyers are so busy dreaming of themselves in the new home that they have neglected to take a good look and missed important items that were contracted to convey upon closing.

Bring a copy of the sales agreement. Have that in your hand, so that you can review any items that should be included with the house and that you've paid for. Go through -- don't neglect to stick your head up into the attic or look down into a crawlspace. Pay particular attention to items that are expensive. Again, you could be so happy that that \$30 toaster is sitting there and has a nice warranty on it, and not notice that the dishwasher wasn't installed, or that the next level down furnace was put in.

Watch where furniture, rugs, et cetera, have been. I've also seen that many, many times -- where it looks really nice, and then they move the couch and there's a huge stain right in the middle of it. Or, in one case that I saw, there was no rug under the couch. It was beautifully designed to cover that.

If there's anything left or anything that should be left, deal with it at that point in time and don't screw around with it. If they intend to move it after the closing or something like that, again, get something in writing or you may be the proud owner of it.

It is not a time to be emotional. It is not a time to get so involved and picture yourself in this marvellous home and, as I say, find out that you have spent so much time doing that that you have gotten yourself in trouble.

If we go back and look at some of the real principles in terms of home warranties and some of the things that are involved in providing the information and setting it up, the first thing you really have to look at of course is the safety -- "safety" being not only physical safety, but economic and so-

cial interests. When I mention "social", I mean it can be the structure of the home, the layout of the property, neighbours, something that is guaranteed -- oh yeah, a little shopping mall and store are going in down the street and then you find out six months later that they are building homes on that site. There is more than the economics and the physical safety on that.

The variability and the viability depend really on the successful balance of competing interests. Everybody has to win in this. System participants within these programs believe that balancing interests is essential for a well-functioning system. Again, now we are really talking about the home warranties and the ones that are offered in most respects by private sector, non-governmental, non-profit organizations.

Authorities and responsibilities have to be understood and accepted. You want them clearly defined. You want responsibilities that reduce the system fragmentation and confusion. You want the system participants to really emphasize the need for clearly defined roles and responsibilities. Know who you are dealing with; know what their job description is. Roles can be best defined by achieving a common understanding of a well-functioning system.

You want to know skills and competencies are assured. Development, evaluation and maintenance of participant inhabitancy are essential to achieving building safety. System participants strongly support competency assurance. In other words, if there is an inspection process done within that warranty program, who is going to look at it? I keep going back to some of the humorous TV ads and the two 10-year-olds with their little cart and a sheet of glass -- the company is here to put in the front window. Make sure that whoever is going to do that inspection is competent to do it and is going to understand what they're really evaluating.

You want to know that the risks are identified; you want to know that those risks are going to be properly managed and managed appropriately. You want risk avoidance and you want that to influence much of the activity within the system. Sound risk management refocuses attention on safety, economic and social outcomes, as I mentioned.

Risk management is a huge concept in this. The contractor, tradesmen and handymen who have the skills, I would argue, shouldn't be forced into something they don't necessarily want. On the other hand, people without those skills should have these things available. They should have the ability to get into a warranty system and everything else. So you want those accountabilities to be there and you want the system participants to be, really, proportionate to the responsibilities and that they are enforced -- proper risk management.

The accountability is for the participants' obligation to meet their responsibilities and manage that risk. Accountability is achieved by aligning responsibility with risk. Enforcement of accountability allocates risk equitably. Sounds fancy, but the reality is -- what's the likelihood of things happening? People who buy lightning insurance but don't have their house insured for fire -- what's the chance of getting struck with lightning in downtown Whitehorse? The chance of the building catching on fire is something you should deal with.

Manage the risk with a decreasing term life insurance loan, so if one partner passes away or is injured or whatever, the remaining partner can handle that mortgage. That can be done; decreasing term is a marvellous way to do it. You want to support innovation. You want a design process and produce innovation, and it's a key factor, really, of a well-functioning system. The more you can be innovative and not tied down to strict rules, regulations and laws, the chances are pretty good that you'll have the ability to be a little bit more creative in how you put that building up and how you can manage that building -- again, with good advice and good skills. That goes back to a lot of what I've really been talking about.

You want good communication. I've had one insurance company I've been trying to cancel a contract with for eight months now. I just got a letter from them saying if I don't pay the premium this month they'll have to cancel it. I've been trying to do that for eight months. Communication is not the forte of that particular company. You really have to have everything open and transparent.

Again, going back to building permits, know that those permits are in place and deal with the home builder as it goes along. This all sounds like it can be very onerous, and it can. If you want to put an offer on a place by 4:00 this afternoon and come in at 3:00 and ask to see all this documentation, then guess what? You're not going to have an awful lot of luck getting anything but some very colourful words from many contractors. But if you're in as it's coming along and developing all of that, you will want to know if there was a demolition permit for the building that was there before. Was it a problem? Was there a plumbing permit? Proper construction and development? Were there permits for patios and decks and balconies? Simply putting a mobile home on a piece of property requires building permits. Additions, renovations, alterations to existing structures, many repairs and retrofits, moving of buildings -- if you're going to move anything or something like that or put in a wood stove, chimney installations, heating system renovations, tank replacements, anything that lays out like that -- were those permits in place when the contractor put it in there? Because you don't really need to buy the house and later find out, when there is an accident on the balcony and you get sued, that your liability insurance might not cover it because there was never a building permit in place to actually build that balcony or that deck.

You don't need to get into those things. Were the fees paid? You don't need to purchase that and then, a few months later, get a bill for development costs or taxes -- which I've seen happen here because nobody checked when that occurred.

Even with factory-built units -- trailers, double-wides and that sort of thing -- they do require site plans. They need foundation plans and the information, right down to the serial number of the unit, and they have to conform to CSA specifications.

If there's a private sewage disposal system, before it's installed you need copies of permits from environmental health officers. When I first moved to the beautiful Southern Lakes, I remember cases where there were difficulties with people putting in a septic system and finding out it was on federal land

because it went off the edge of the property -- so suddenly they needed federal permits -- and they discovered it quite a long time after they had gone ahead and dug it in.

Propane and electrical installations require permits and inspections. Consumer and safety services branch at YTG is a place to go for this information -- and really get that information out there and get permission to do it. Again you'll find the people are really helpful in terms of all these things.

When we look back on home warranties and this sort of thing, one thing I don't think the member opposite actually mentioned -- and I'm sure, as a highly skilled carpenter, he's aware of it, but it somehow just got left off the discussion -- is that there was a Yukon Housing Corporation report commissioned in 1999 regarding the failure of the new home warranty program. We had a new home warranty program in place for some time. Basically it was mandatory for new homeowners in the Yukon to have warranty coverage as a condition of CMHC providing mortgage insurance. With the failure of that program, CMHC waived that requirement. I understand CMHC is currently waiving that requirement in both the Northwest Territories and Nunavut, as well, for much the same reason.

Some of the things -- if we get into that program and why it failed -- were in response to the so-called leaky condo problems in British Columbia. As I say, anybody who watched TV during those times is well aware of all these condos with scaffolding around them and lots and lots of fabric.

The legislation only has effect in British Columbia -- when the *Homeowner Protection Act* first came in -- but its impact on Yukon was felt through the new home warranty program of B.C. and Yukon. Builder registration is required in B.C. -- and, interestingly, not in the Yukon -- and the warranty coverage limits and consumer information requirements are substantially extended. All the homes in British Columbia must be built with warranty coverage in place, except owner-built units and multi-family rental units.

Historically there has always been a kind of love-hate relationship with the new home warranty program. In many ways, it is intended to be more of a marketing program for builders and, again, it was started by the home builders organizations, and HUDAC -- Home and Urban Development Association of Canada -- was a consumer-protection tool. Builders generally feel that it provides limited benefit to them and consumers trying to make claims complain about that as well.

The stated intentions of the new home warranty program really alleviated the immediate concerns that the Yukon builders might find themselves without access to a warranty program. That took effect around May 1, 1999. As well, the National Home Warranty Programs Ltd. has indicated interest in providing a competing warranty option to Yukon builders.

Another of these stated intentions -- and I don't know if they have actually been formalized yet, but the implementation was to be monitored by both builders and the Yukon Housing Corporation. This all relates back to 1999.

The program changes increased the cost of providing warranties that flow through to the homeowner. I think that is the one thing in this debate that we have to be very, very cautious about -- the fact that all these things are flow-through costs. It

is just whether you pay for a warranty or pay for a different material and the cabinetry. It is a flow-through and it will go to the homeowner, but I am not necessarily saying that is a bad thing.

It appears that, at that time, they really wanted to examine options for that new home warranty, and the options included: maintain the status quo with the current warranty provider, revising the coverage and the costs; encourage competing warranty choices, or a change, at least, in the standard provider; or create a private warranty program provider; or create a government-provided warranty; or simply remove the whole thing and get rid of it.

Naturally, any of these choices would have implications for some or all of the stakeholders involved. So, before anyone could really look at this, the questions that had to be looked at were: has that existing warranty program provided adequate protection to Yukon home buyers? Second, has the warranty program provided adequate protection to the sellers? Is there a need for a statutory requirement for warranty coverage and/or specific limits for new homes? Fourth, will the revised program really provide more adequate coverage and do we need extensions? Fifth, is there a more economical way to provide the protection to the consumer? Sixth, should the government take a broader or more direct role in the area of consumer information protection and warranties related to home buyers? And last, in the event of a housing boom, which is exactly what we're seeing right now -- again, apologies to the Member for Porter Creek South -- are there enough controls in place to ensure adequate consumer protection?

So, again, I have to apologize for the great success of the Yukon economy at this point. These are problems that are coming up. If we're going to have problems, I guess this is a problem we want ahead of some of the others.

So, really, again, that leaky condo thing really brought the whole thing to light at the time. The difficulties were experienced in larger multi-family projects in coastal areas of B.C., so they do have another unique aspect to that, but it really reverberated right through the construction industry.

Any kind of a building boom does bring a rash of quality problems. I certainly don't think I'm seeing anything in that league, but probably the rapid construction of homes right now is at least getting people to look more critically at what's coming out the other end.

That huge demand for homes and sudden demand for homes does tend to result in some consumers being left out with unsatisfied complaints. As I say, that's a big problem in terms of what we saw with the leaky condo fiasco. Also, in the late 1970s -- and, I suspect, in Whitehorse, no party can take credit for that. I think that was before the systems were in place. But in recent years, we've experienced up until the last few years really not the incredible demand for multi-family projects, nor is it really the problem. So again, this is something that we're seeing more and more due to the growth in the economy.

Single-family homes and duplexes, which make up the bulk of home-building activities, are relatively straightforward in terms of construction -- at least straightforward if you know

what you're doing, which, again, Mr. Speaker, I certainly don't. Most complaints about construction quality tend to be finishing detail and visible flaws, both interior and exterior. But it is possible to construct a typical wood-frame house that is structurally unsound. It could have a leaky roof or be inadequately insulated. The chance, I think, of that happening on a mass basis in the Yukon is relatively low. Can it happen in individual cases? Yes, it probably could.

The warranty program, when it was active, involved less than one percent -- in other words, roughly, at that point in time, of 15,000 registered units in 1998, 75 were involved in the program. Really, we had to deal with that when the B.C. legislation came up and the cost of the program was starting to go up. Yukon builders, and therefore home buyers, were forced to pay the increased costs. If we were to continue at that point to have that utilized and made no exceptions, then outside of B.C. at that point in time -- Yukon was, I think, the only jurisdiction that wasn't involved. We would have our own little set of problems. So rather than merely accepting the opportunity to pay for British Columbia's problems, there would seem to be an appropriate and reasonable time at that point to look and examine the issues and options available.

So, at that point, the original new home warranty in Canada -- if we look at some of the history -- was developed by the national Home Builders Association. Housing and Urban Development Association of Canada -- HUDAC -- became the Canadian Home Builders Association in the mid-1970s and it was done to head off threats by various provincial governments to legislate their own consumer protection plans. There was only limited uptake at that point in time for the programs until CMHC made a warranty part of the requirements to obtain an *National Housing Act*-insured mortgage, and that happened in 1979.

Currently in the Yukon, when that occurred, most of the homes were financed with uninsured mortgages and were covered by the new home warranty program of B.C. and Yukon, or are owner-built, which would have been much more popular then, I think.

There are a number of stakeholders involved in that process: the builder and/or developer; the purchaser, obviously; and architects and engineers who often had limited involvement in the Yukon housing market. It was interesting to learn in briefings a few years ago that, of the very large number of professional engineers on the rolls in the Yukon, the vast majority, of course, are not in the Yukon and don't necessarily have any requirements -- in fact, pretty well across the board, they don't have any requirements -- for expertise in northern construction. So, if someone knows nothing about permafrost, they can still theoretically sign off buildings and, bingo, we've got schools sinking and buildings in difficulty. That's another problem.

Other stakeholders are the actual mortgage lender, the insurer, the municipalities and YTG -- in a very indirect way both in terms of economic development and consumer protection -- and each of these parties has a very differing interest and a different point of view.

We have to look at some of the issues we had at that point to consider as we do today before we look at any new home

warranties. We have to provide a basis of interested parties to comment on proposals that have been put forward or to put forward new proposals to address the issues.

One cautionary note I have to make is that there is a distinct difference between warranty work the builder may undertake to remedy the client's concerns and the formal warranty -- under the new home warranty program or under any legislated program. Unless it's explicitly noted, we're dealing with two very different things here so we have to be a little cautious.

The new home warranty program of British Columbia and Yukon is operated by a private, non-profit corporation called the Pacific Home Warranty Insurance Services Incorporated. The program grew from the program started by HUDAC, the Housing and Urban Development Association of Canada, in the mid-1970s. As such, emphasis has been more of a marketing initiative than a consumer protection program.

It's important to understand the claims process as it relates to the warranty program. First, the homeowner has to notify the builder of the problem or defect, and if the builder does not resolve the complaint to the owner's satisfaction, then the homeowner must notify both the builder and program of the defect in writing.

At this point, if it chooses to do so, the program can provide conciliation to resolve the matter. If this does not resolve the issue, if the program deems it to be valid, it could demand that the builder remedy the problem.

If this also fails, the program could then pay for the remedy and then collect the cost back from the builder. If the builder does not pay, he or she would be removed from the program and, at that point, it would go to the courts for litigation.

If the builder has become insolvent by this point, or simply has refused to pay under the litigation, then the warranty program pays for the approved repairs from its own resources. This was an uninsured risk. During the entire process, the homeowner is not allowed to effect the repair until the warranty program renders its decision. So if you have a leaky roof, you have a big problem with that one.

Any decisions made by the program regarding a claim would be final and binding on both the builder and the homeowner.

So, the leaky condo issue in B.C. was really a complex mess and had many facets to it, and really still does. It does serve to highlight the limited coverage offered by the program in a situation that was clearly a problem built into the homes. I don't think you needed to be a highly skilled contractor to understand that these things were in trouble the day they were built. They were in trouble the day before they were built. One of the most troubling aspects of the way the program was set up was that the purchaser gives up some of the rights of redress available under law and agrees to be bound by the terms and conditions of the specific and limited warranty. For the purchaser, the fact that a builder is registered with the program may offer some intangible assurance of a track record and financial capability, at the time the home is being started at least.

As of January 1999, 29 Yukon home builders registered with the new home warranty program -- 27 from Whitehorse,

one each from Haines Junction and Dawson City. From the developer's perspective, the warranty had a significant cost which, in turn, raised the price of the home to the purchaser -- as I mentioned before, it was going to be borne by the person. Again, I stress that might not be a bad thing. There is additional administrative work that would be required and the program at that time really offered no protection to the builder, other than an alternative to going to court to dispute a claim. As a marketing tool, it offered great benefits to the builder, but some would argue that it had limited solutions in terms of the buyer.

CMHC at that time required all new homes financed with the NHA-insured mortgages be constructed with a third party new home warranty in place. Again, it exempted self-builders. As I mentioned before, self-built warranties are available. The lenders making the mortgage loans would then take some comfort, hopefully, from the fact the warranty exists, but it's difficult to actually quantify that. Seventy-five new homes were built in Whitehorse during the calendar year of 1998, if you go back historically. There were permits issued for 120 new residences outside of Whitehorse during the same period, and 75 Yukon homes were registered with the new home warranty program.

The regulations accompanying the *Homeowner Protection Act* of 1998 in British Columbia were issued on January 29, 1999. The administrative details and the changes in costs of the new home warranty program were much slower to come out and really didn't come out for a number of months.

However, really looking at the changes and how they would apply to the Yukon were up in the air at that point. For instance, for defects in labour and all latent defects, the old coverage was for one year; under the new program in 1999, it went up to two years. Mechanical and electrical systems were only included as exterior cladding, windows and doors, as well as the entire building envelope. In reality, the new coverage of 1999 extended mechanical and electrical systems and exterior cladding, windows and doors up to two years and the building envelope to five years. The structural warranty went from five years to 10 years. The five-year warranty had the option to extend up to 10 years.

These were all things, in terms of time limitations, and there were some substantial extensions to the limits. There were specific inclusions and allowable exclusions to the warranty coverage requirements for notice of expiration and requirements for inspections, all to be clearly identified in the warranty documentation.

The intention of the legislation is to have the warranty providers provide better protection and better information to the consumer. This protection is intended to be more expedient and less contentious than the old program. Whether this actually accomplished anything, to this day, really remains to be seen.

But there is one certainty: the changes increased the cost of the warranty and increased the cost to the home purchaser.

The costs are always reflected in the cost to the home buyer plus the appropriate mark-up and they are all passed through to the consumer, or the builder simply doesn't stay in business. That is a financial reality. If you don't do that, one

way or another, the builder doesn't exist and things don't get built and tradesmen don't get hired. It really is a bit of a catch-22 situation.

Demand for warranty program is obviously a desire expressed by consumers by way of choosing to spend money for a good or a service. Need, on the other hand, I would agree with the member opposite, is a basic requirement. In the case of warranty programs, home buyers would express their demand for a warranty program by paying the costs -- put it into the contract, demand it, get it in writing, add to it and accept the fact that there is a cost to it. The need is not necessarily expressed; however, a need left unmet could be expressed through the courts, through newspapers and, obviously, political efforts, which was pretty evident in British Columbia at the time.

Consumer groups, with the recent condo problems in British Columbia, for instance, expressed a strong need for warranty programs and more effective warranties. The Condominium Homeowners Association of B.C. claimed that their demand was not particularly price sensitive, adding \$475 to the cost of a \$250,000 condominium. Boy, have things changed, but this is again looking at it historically. That would be put over the course of a 25-year mortgage period. That probably isn't a real hardship. Again, I don't necessarily say that putting the cost on to the consumer is a bad thing.

It is interesting to note that, in the United States -- and I hate to sort of bring up comparisons -- there are insurance policies offered to buyers of new and existing homes to cover hidden deficiencies. You can buy house warranties for an older home. They vary widely in quality and coverage. They are often tied to home inspections. They are an optional, extra cost item of course, and they are normally available through home realtors and are in addition to any warranties offered by the builders in the case of new homes. Many U.S. buyers are expressing a demand for this insurance by purchasing the optional coverage.

It's available, but it shouldn't be necessarily forced on anyone if it's a desire as opposed to a need.

All the warranty programs in Canada are reticent to give out claims information. It's always great fun to try to get the information on that. Really, Ontario at that time had produced some statistics. For instance, within a few years there in the 1970s and 1980s and, I think, in the early 1990s, 760,000 housing units were registered and roughly \$140 million had been paid out in claims. Applying these rounded figures to that 1998 statistic, when these programs were around, would crudely indicate that something in the neighbourhood of \$13,800 might be paid out in claims. This really disregards all the information and differences of warranty programs, housing mix, the fact that here it's mostly houses and not apartment buildings and this sort of thing. So really, there's not a lot of good information that comes out of that.

I suspect that the claims would actually be a lot higher than what we're talking about. In 1998 -- and staying with those statistics -- the Yukon builders, and therefore Yukon home buyers, paid approximately \$26,500, or an average of \$353 per

unit for warranty program coverage. Again, that's not a terribly onerous amount.

But if you really look at the B.C. condo situation as a need at that point in time, the consumers in the Yukon -- for a warranty program, it's difficult to project it as being extreme, given the small market, the choices available and the ready communication among prospective purchasers. Builders planning to stay in business for any length of time tend to have to deal effectively with reasonable claims of their clients. This isn't to suggest, by any means, that the home buyer claims will be satisfied, but rather that the issue of unsatisfied, unqualified warranty claims is unlikely to really be large in the Yukon. To date, it's not obvious that that program, in retrospect, has done much to satisfy consumer need for protection. The new program might offer extended protection, but at this point, really, it's something that we can't really address and look at at this point in time.

Another aspect of need is from the marketing point of view. This comes back to marketing as much as anything else. If prospective purchasers require the assurance of warranty protection, then the builders really should provide it if they want to make the sale. This will be true whether the warranty program offers any real protection or not. Given consumer awareness and the media coverage of the situation in British Columbia, it would be difficult for builders to stop providing warranty coverage without replacing it with an alternative -- in other words, demand expressed by purchasers becomes a need for the builder, drawing a line between those two.

I would argue this is something that, if it is a need for someone, they are well-advised to purchase it. Do we need to make it mandatory? I have reservations.

Builders registered under the warranty program in those days on a sliding scale, based on the number of years with the program, the number of units registered, claims experienced are factored in -- like car insurance: if you smash the car up, you're going to pay more; so that was also built into it.

The lowest ranked builders paid the most, both in terms of annual registration and in the individual unit enrolment fees. The lowest of five categories, at that point, paid \$300 annually and paid \$324.50 to come into the program. A master builder in the program would pay \$100 annually and \$185 per unit constructed.

We're not really sure, if we were to do anything now, how a fee structure would be set up. The National Home Warranty Program was a competing private warranty provider operating in the western provinces. It had made available an optional program extension to their standard coverage for an additional \$100 per unit. These are all older figures from when this program existed in the 1990s. The optional coverage brought the coverage up to the standard outlined in the Barrett Commission report, when it was published.

So, there were a number of different options at the time they were looked at. If we look at those options, which I would argue are still very much what we are considering today, the first option is simply to continue with that existing program of the day. That was to continue with that program, which would

take the least amount of effort by the individual home builders, the Yukon Home Builders Association and the government.

Warranty coverage should improve and should have gotten better -- it could get better if this were to be done today. The only negative effect would be the increased cost, which really is unknown at the present time. It appears there wouldn't be any problems with the Yukon builders who were registered at that point in time -- we are talking May 1, 1999 -- because remember that at that point in time there was a requirement to access some of the mortgages. That was the transition period at that point in time.

It will be important to ensure that the administrative rules of that warranty program don't change to the point that they would require all builders, including those operating only in the Yukon -- because that was B.C. and Yukon -- to be registered with the Homeowner Protection Office in British Columbia. That's something that had to be monitored at that point in time or would have to be monitored in the future. Fee structures would have to be reset and everything else.

A second option that was considered back in 1999 was to switch to another warranty program and completely rewrite the thing. There is no formal requirement under the new home warranty program of British Columbia and Yukon that that be the warranty provider in Yukon. In British Columbia, as well, it operated with a virtual monopoly until 1996. Other warranty providers might consider taking in Yukon builders. However, it should be noted that the programs like the then Alberta new home warranty program have a loose affiliation stemming from the lineage from the Canadian Home Builders Association with the British Columbia model and program. Therefore, it would appear that making the change would really be made on a broad program basis rather than looking at an individual builder basis.

The responsibility for negotiating and arranging this type of change could fall to the Yukon Home Builders Association. The Yukon Housing Corporation would wish to have some involvement or at least monitor the situation to ensure that the interests of the non-Yukon Home Builders Association builders and consumers are protected. I think that the Member for Whitehorse Centre made some good points on those aspects.

There may also be some policy and administrative changes required at CMHC to accept the Alberta or other Canadian Home Builders Association-related programs. CMHC does good work and has very good people, but sometimes can be a very difficult organization to deal with, as we find out on a regular basis here. It would require a number of changes at CMHC and that could be a very time-consuming process.

A relatively new private warranty provider at that time -- the National Home Warranty Programs Ltd. -- had indicated that they might be interested in providing coverage in the Yukon. They were active in the western provinces and have indicated that the program would meet the requirements within B.C.; however -- there is always a however, Mr. Speaker -- in other areas, they are in direct competition with the other programs and therefore have to remain competitive. As a result, the extended program would not apply in the Yukon, or at least would not have to apply. It would still be available on an op-

tional basis. Interested builders could apply directly to this program on an individual basis. This individual situation is not without its problems.

There would be no policy or program actions required by the government of the day. There may be some effort to ensure that builders and consumers are aware of the options that might be required. Coverage is similar to the existing program coverage. CMHC accepts the home warranty for their lending insurance purposes. In fact, National brags in their promotional material of being the only warranty provider approved by CMHC to issue warranties across Canada.

The third option would be to create a private warranty insurance plan. While the above heading should warm the cockles of the free enterprise heart on both sides, this is a much more complex issue than it first appears. The list of possibilities and questions is far longer than the list of answers. And considering that only \$25,000 was payout for warranty coverage during the 1998 building year, it's difficult to imagine that developing a workable solution on a wide basis would be worth the effort financially.

One possibility within the broad option might be for builders to offer their own warranties on a formal written basis. And, to a degree, I think this is what we have today, except there are severe limitations in many of these. The builder would then carry his own insolvency insurance and would protect warranty holders in the event of a claim against an insolvent builder. Availability and cost of this insurance would have to be subject to actuarial issues. For those who aren't familiar with the term, an actuary is a person who makes an accountant look exciting. Given the small group of Yukon builders, this may not be possible or cost effective unless it was subsidized or underwritten by government.

Policy issues for government would have to include CMHC's approval of the warranty replacement mechanism. Again, CMHC is a very difficult organization to deal with and, in some respects, you have to respect that because they are dealing coast to coast to coast with some very large sums of money. But there might possibly have to be Yukon legislation requiring formal written warranties, specified minimum warranty coverages, insolvency insurance, provision of a conciliator/arbitrator to resolve disputes without having to resort to expensive legal proceedings, administrative mechanisms for ensuring compliance, and the possibility that, at the end of the day, it still goes to litigation.

There is a huge progression of things here that have to be considered. As I say, for every answer there are three questions. It's a real dog's breakfast, in terms of trying to put this together.

From the purchaser's point of view, it is difficult to say there would be a huge difference in that. That is, again, a huge problem. When you really look at the protection, if there is no significant difference then, at the end of the day, why are you doing this?

The perception could be different though, and consumers might be more comfortable with a third party warranty situation. Beyond this, it is perhaps not reasonable to suggest that there would really be much of a cost-savings to go there.

The fourth option would be to create a Yukon government managed warranty program. The economics of providing a Yukon-only program are limited. It is doubtful that a warranty program could be undertaken on anything close to a break-even basis without increasing rates dramatically, hugely. So now you have a problem where you would either have to do that increase in rates or provide a very significant subsidy. That is not to imply that without increasing rates dramatically or that claims would suddenly increase under a government program -- but really the cost of administration of the program for 29 builders and 75 units would have to be substantial. Again, those are 1978 statistics.

The implications for government are extensive. This would be a major, major study to take a look at something like that. Consumers would like the approach until they realized how much it would cost and how much bureaucracy would have to be behind it. Again, we are not seeing anyone clamouring for this sort of a program.

The fifth and final option that really you would have to look at would be to remove or make optional the requirement for a warranty. Given the problems in B.C. with the leaky condo issue and the fact that most homeowners and home buyers are used to the idea of new homes being covered by a third party warranty, there might be some difficulties in dropping that whole concept.

Further, builders anxious to sell houses are not likely going to want to raise any concerns with prospective clients. The last time you bought a car, the salesman probably didn't spend a lot of time explaining all of the things that could go wrong with it. That's usually not something that they are going to want to do.

There is the possibility of making warranty coverage optional; however, this would require redesigns of that program and any program really, as now you would have to register the homes with a warranty program at the start. The possibility of this happening with any broad based program is probably low. The Yukon has limited numbers and significant differences from the typical urban market. It's not a particularly attractive niche for the warranty program. If there is any added administration involved, it's going to be another rock to pile onto the wagon. Therefore, any optional warranty provision would likely have to be provided through some type of Yukon-only program or direct builder provision. That's something that you start creating: a made-in-Yukon solution, which is going to be horribly expensive.

It's unlikely that CMHC would want to remove its requirements for warranty coverage. This might lead to the Yukon government having to provide mortgage insurance. Those may have broader policy benefits of interest; it does have implications far beyond those of the warranty programs. What's happening is CMHC is removing those requirements and simply leaving it as an option.

In general, the concern of the day was that Yukon builders were getting the idea that they were going to be cut out of the national program in terms of housing stock, literally, by virtue of the effects of a change to B.C. legislation.

The changes would leave the Yukon builders with access and that's sort of the direction in which the government of the

day went, but they also increase the costs dramatically, so you're caught on both sides. As well, builders would also have access to a private warranty system if they so chose. In the immediate term, the Yukon Housing Corporation has to ensure that everyone is aware of all these options but doesn't necessarily have the wherewithal to get into it.

There are a lot of questions in there. Did the warranty program of that day provide adequate protection to Yukon homebuyers? We don't know. It's hard to evaluate. Was there a need for statutory requirements for warranty coverage of new homes? The conclusion of the day, again, was that that was something that was unpredictable and that governments of all stripes, really, have never wanted to get into.

Will the revised program provide more adequate coverage in terms of revising the existing one at that point and looking at extensions? Was that the way the government should have gone? I don't know. As I say, for every answer, there are three questions.

Should the government have taken on a broader and more direct role in the area of consumer information, protection and warranties? I think, in general, the Yukon Housing Corporation has done that. People have to go in and ask the questions. We do have the staff, we do have the expertise there, and we do have the willingness to sit down with people and deal with all these things. But they have to come in and talk to us before that can happen. It's just like putting out all the best glossy brochures, covers, handouts and ads in the paper, but if people don't read them or take notice of them, you probably haven't really accomplished an awful lot at that point in time. Of course, if a boom were to occur -- which is happening now -- then you have a problem. This is where we are coming up with it now.

That's a bit of the historical aspect at the time and how it stood and where it went. If we look at some of those things and if I can summarize where we stood on May 1, 1999, when those new *Homeowner Protection Act* regulations came into place, all residential builders applying for this program needed a building permit -- obviously. They were required to be licensed by the Homeowner Protection Office, although owners/builders were exempt. In order to obtain those building permits, the builders had to show proof that they were licensed and that the proposed new home was covered by a third party home warranty provider authorized by the financial institutions commission.

The residential builder licences were \$600 at that point in time in the first year and annual renewal fees were reduced to \$500, with an additional \$25 per housing unit charged as part of the licensing fee.

The act also provides for licensing of renovators and we haven't even begun to get into that discussion. In 1999, it was a priority. Starting May 1, 1999, residential builders applying for building permits to construct new homes will be required to provide a third party warranty. Owner-built homes and purpose-built rental housing, such as multi-units, single legal title built for rentals, factory-built homes, hotels, motels, dormitories, care facilities and even float homes were exempt from the

warranty requirements. I guess they only floated for part of the year.

Minimum coverage and standards for home warranty contracts are then set by regulation, rather than by warranty providers. Minimum coverage included two years on labour and materials, five years on the building envelope and 10 years on the structure. Again, the building envelope could be extended for a further five. At the request of the owner, a dispute with the warranty provider could be handled through mandatory third party mediation.

To fund the interest portion of the reconstruction loan program, again starting on May 1, 1999, builders applying for a building permit in the coastal climate zone -- and remember that this is B.C. and the Yukon -- will pay \$750 for every new home of a multi-unit project, single detached home, purpose-built rental housing and provincial or territorial social housing projects being exempt from that assessment.

In the terms of owner-built homes, the owner/builder is a person who builds a single detached home for their own personal use not more than once in any 18-month period. An owner/builder does not have to be licensed or provide a third party warranty on their home. An owner/builder declaration and disclosure notice must be filled out when applying for a building permit. Should owners/builders want to sell their homes within the first 10 years, they must provide the purchaser with a copy of the disclosure notice. Purchasers of owner-built homes are protected by the statutory protection provisions of the act, which require all new owner-built homes to be reasonably fit for habitation, built from materials of good quality and designed and constructed with ordinary competence, skill and care.

So it left a fair amount of flexibility for the owners/builders but, again, there were definite problems with a lot of these.

We looked at some of the proposed changes to the new home warranty program of B.C. and Yukon. The corporation at that point in time really wanted to take a look at the implications for the Yukon of any changes proposed by the British Columbia government in relation to that new home warranty program with B.C. and Yukon. We had to look at the ministry of municipal affairs and housing in British Columbia. We looked at a variety of documents, and all of this was around December 1997. The problem was that British Columbia's proposals arise primarily out of the leaky condominium situation in British Columbia.

The responsibility and expense of identifying and correcting deficient residential construction have been borne by the home buyer or the condominium association. Although technical solutions have been offered to remedy the situation, the government was under increasing pressure to better protect home buyers. In other words, it becomes a need, not a desire.

The discussion paper that was produced at the time really summarized all of the issues and proposals. It involved the Urban Development Institute, the Canadian Home Builders Association of British Columbia, the new home warranty program of British Columbia and Yukon, the condominium homeowners association and the national home warranty programs.

It looked at a variety of proposals, such as that all newly built homes sold in British Columbia and Yukon should carry an explicit written warranty and that the warranty should be required to provide a base level of coverage. The cost of warranty should be borne by the homeowner or the home buyer.

An alternative proposal is to strengthen and imply warranties in the purchase of homes to enhance the ability of homeowners to be compensated for compensation deficiency in the courts.

No one really got around to how this was going to be achieved but, obviously, legislation would be one possibility.

Another proposal in British Columbia is that B.C. adopt a system based on the single warranty provider found in Ontario.

Another proposal is to allow warranties to be offered by any private third party warranty company that meets established standards.

Now, there are various issues in relation to this whole thing, including whether existing basic warranties are adequate or whether longer, major structural defect warranties and separate coverage for water penetration should be required. Again, remember that we are talking about the leaky condos.

It suggested that the Province of British Columbia could establish minimum acceptable warranty criteria by legislation and by regulation. An alternative to that, of course, would be to establish an independent party of experts and stakeholders to establish the warranty standards and monitor compliance.

One other suggestion of the day was the establishment of an industry-based residential construction council to establish criteria for acceptable programs.

In terms of maintenance and after-sales service, one proposal was that there should be periodic service visits or maintenance checks required to keep the warranty in force. This brings up an important concept. Anyone who has bought a car and not bothered to change the oil probably found that part of their warranty was void because they hadn't mitigated the situation -- they hadn't tried to diminish the risk. You have to be working on that in order to maintain that.

So, really, that's a big part of it -- the potential of periodic service visits or maintenance checks could be required to keep that warranty in force. That would be a logical thing. If I were a house builder and demanded that, if we're going to put this into effect for five years, I'd like to see it. I'd like to have it inspected. I'd like to know that you are maintaining it properly -- that there isn't a leak in the roof caused by something, not within the warranty but by accident that you have left and the insulation has rotted out with black mould or something like that. You have to look at that as a distinct possibility.

Another suggestion was to require new strata corporations or condos to contract for an independent professional's audit of the structural soundness of each building prior to the first year of operation. It was recognized at the time that in the owner-built or self-built housing, an important component of housing construction in parts of British Columbia and in the Yukon, small builders who build only one or two houses a year might find it too costly or too impractical to register with a warranty provider. This is something that was coming up in the Yukon.

I'm suspicious that it would come up again, should we try to go the same route here.

One of the proposals of the day is that the owner/builder could be required to register with a third party warranty provider or hire a contractor, who can oversee the construction and provide a warranty through registration with a warranty company. These proposals would appear to have significant impact on the housing construction industry in the Yukon. So the government of the day was well aware of the potential for all these problems.

In terms of builder registration, one option that was considered by the British Columbia government was to require all builders to meet certain registration criteria. Registration would be handled by the government, and there would be an appeal mechanism if registration was denied or revoked. The registration scheme could also be applied to contractors undertaking substantial renovation work. It was looked at in a broader sense. For the Yukon, this would mean, not only having legislation in place, but having the staff in place to even handle the registration system. That's before anyone actually files under the system. I think that all members in the Assembly -- and I see lots of interest, nods and such from the opposite side -- agree that there is a substantial cost to this. It's not something that's an easy thing to put together.

Simply providing a warranty otherwise would require a magic wand. That is something that even those of us on this side of the House don't have. In terms of builder qualifications, one proposal was to use registration to ensure reasonable performance. Builders would initially be presumed to be qualified, but the registration authority would have the ability to evoke or deny any registration or to impose special conditions or disciplinary measures if appropriate.

Now, Mr. Deputy Speaker, we have a whole thing that's opening here in terms of determining those qualifications, licences, disciplinary actions and on and on in terms of what happens with appeals, revokes and legislation. It's just a huge mess. Getting into the fact that we deny registration, that we appeal the denial and on and on, now we also start to get into enforcement, enforcement costs and the funding of that. To prevent unregistered builders from building, we would have to require a proof of registration and that would have to be required for a builder to enrol in a warranty program or obtain a building permit for new housing construction. Again, while we are producing some security to the buyer, we are putting enough red tape and burying the poor builder in so much of it, many of them would just say that it's not worth it. That's the other risk that we have.

To prevent new homes from being sold without the required warranty, proper warranty documents would have to be required at the closing in order for title to be transferred to the new home buyer. Chances are in many cases that we are going to substantially raise the legal costs. In a climate right now where we have to sometimes wait a couple of months to get a real estate lawyer to close a real estate deal causes another set of problems that would have to be addressed.

One effect of the system is that the cost of new homes has to increase, as the homebuyer would be paying for all the costs

of the warranty. That becomes, of course, an additional cost of the construction. If that can't be passed on to the buyer, then the contractor isn't going to be successful and he or she is not going to be in business.

If you start looking at the steps and how basically things should be handled from there, it's very difficult to be specific without more and more and more studies to try to see where these things are going and a range of options and specific proposals. The ability to really look at mandatory warranties, extending coverage of the warranties, the licensing of builders and contractors in one form or another -- it just keeps going on and on and on. As British Columbia proceeded with the changes through legislation, in order for the Yukon to keep in step with the changes, it too would need to create mirror legislation. In order to maintain consistency throughout the program in British Columbia and the Yukon, that has to be done. There is no way around it.

Should the changes include registration with a government authority and other government oversight and interventions, then the cost of providing this should be calculated when considering whether to remain a part of that program or to set up our own program or simply set up a different program. One of the alternatives, again, that was looked at -- and this historically goes back to 1998. What are the alternatives? One of the alternatives has to be to create a separate Yukon system.

Really, we have to do this in conjunction with British Columbia. There are precedents and crossovers in many cases. Every time you look at a B.C. model or any model for any legislation, you always have to put this in terms of the Yukon. It's always easy to say that we live in a unique area. You always have to remember that Yukon is unique just like every other jurisdiction in Canada.

So with all of these, should we be a part of that new home warranty program or should it create its own specifically designed in the Yukon? It is just a huge mess of where that is going to go.

There was a lot of consultation with the industry representatives to try to offer hope to the owners. Certainly if you use the leaky condo model, it was a massive number of owners. But in terms of even the number who have been affected here, it is always relative to ask how many and what the impact is. It's nice to be academic about that, but if you are the one who has the leaking roof or the floor falling through, then it becomes very relevant. It's like the old story: what's the definition of minor surgery? The definition clearly is that minor surgery is surgery done on someone else.

We do have to look at this and I am very grateful to the Member for Whitehorse Centre for bringing this up and allowing me to get on to the record some of the historical things.

There was a discussion paper that was put out for the builders and such in British Columbia to consult. It was really the first of the official documents that went out -- *Improving Quality and Accountability in Residential Construction: A Discussion Paper*. I summarized the warranty proposals that were presented to B.C. and Yukon officials.

The debate still rages as to who should provide home warranties. Should it be the homeowners? Should it be the pur-

chaser who buys their home? Should it be the builder? Should it be the government? Should it be a private situation? Really, the goal is for every house to be built by a quality builder and covered by warranty, but there are difficulties with that in terms of where we are going and how we are getting there.

Looking at some of that, I can turn to some of the comments that were made in that discussion paper, which I believe goes back to December 1997. Some of the things that everyone had to look at -- because you don't want to do something that is going to protect purchasers and then put all the developers and home builders out of business. It is nice to have the protection to buy something, but if you can't buy it, it becomes a moot point.

No type of housing is immune. A lot of this relates back to the leaky condo situation, but it gets so much wider in terms of everything else -- water penetration in low-rise buildings, wood frame condominium buildings, wood frame single-family homes, the mould problems that we have in the Yukon.

The responsibility and expense of identifying and correcting deficient residential construction and repairing the resulting damage too often falls on the homebuyer and condominium association. The Member for Whitehorse Centre is right on that. Repair costs can be very substantial. Some cases in the British Columbia model with the leaky condominiums went up in the \$30,000 range. There may be cases of that in the Yukon. Some of the ones that I've seen may well be up in that range.

We have to identify and solve the technical problems and the types of construction affected. One of the things on that is the Northern Climate ExChange, the cold climate innovation cluster, looking at construction materials. We're happy and pleased at the partnering with the University of Alberta in the last few days in the Yukon College to start looking at the problems of cold climate construction in general, be it residential construction, commercial or building roads over intermittent permafrost. We need to train architects; we need to publish technical bulletins that explain some of these things and a best practices guide. We come full circle to best practices and quality assurance protocols and getting these developed so that people can know what they're doing when they build.

This should go a long way to solving some of the problems. Responsible builders and contractors have to learn what works and what doesn't and how they can do a better job. Any reputable builder is going to be doing that good job. That's what keeps them in business; that's what grows the business.

You mess it up enough times and wonder why the business fails, so it's to benefit everyone on this. Home buyers need the education. More than ever before, they have to be more aware of potential pitfalls of buying new or older homes, and of what consumer education materials and seminars are available.

However, most people do agree that "buyer beware" is not an adequate response to the problems, particularly when some potentially troublesome construction deficiencies are not readily apparent, even to the trained eye. There does seem to be a consensus that consumers need to be both better educated and better protected when buying a house or a condominium, and that there should be more recourse available to them if something goes wrong.

We have to look at the whole, wide issue, as we've been chatting for the last few moments. We have to look at what those remedies are, what they're going to do to the house price, and we have to come to some conclusions and give some flexibility to the choices that are available to people.

It's nice to say we're going to protect everyone, and we protect them in such a way that there is a segment of the population who can't build their own home nor can they afford to buy it. It's nice that it's all protected, but they can't afford to buy it anyway. So what have we really accomplished?

There's the possibility of locking people of limited means and lower income out of housing projects and condominiums, be it downtown -- the Member for Whitehorse Centre would be as vehemently supporting the gentrification of the downtown core. There's a split in there.

I would suggest -- and it's certainly not a firm position -- that we need more study. We need to look at all this in much more detail and we need to give consideration to the special things. Just when you think you've solved all the problems, you come up with a totally different situation and have locked a segment of the group out. There's always a twist; there's always something that's a little different.

So, if one is really putting out the explicit, written warranties and requiring them for new homes, the big question -- and I've been talking around the issue, but this really hits the heart of it -- is who is going to provide the warranty? It's nice to get up and say that, yes, there should be a warranty. Who is going to provide it? Some will offer their own warranty directly, and they offer very good warranties. Some want to offer their own warranties. Even if they want to -- and there will be the odd one that doesn't want to honour it -- they may be in a situation where they can't.

Turnover in the home building industry is relatively high. We are well aware of that. Many of the buyers have complained about the lack of after-sale service from the builder. That goes back to doing the research. Don't spend two days in *Consumer Reports* looking at the warranty on the \$30 toaster on the counter. What about the company that has built the thing? Do the research and the hard work. It is hard work, but it is well worth it.

On return visits, talk to subcontractors. Having that warranty provided and backed by a third party -- in other words, someone other than the builder -- limits the obligation of the builder after a certain period of time and, at the same time, ensures that the purchaser continues to be covered, even if the builder goes out of business, leaves the territory or doesn't honour any obligations.

Again, over several decades, I have listed some of the various associations and some of the things that private builders and private building associations have done. That is good, but now we have the other problem. Do we tag on to a province or do we simply fund our own? That brings up such a huge number of possible problems. I've just touched the surface on many of these.

Even more important than who provides the warranty is who sets the standards on the warranty. We haven't even started to go there. If a written warranty is deemed to be required,

there has to be a minimum definition of what qualifies as an acceptable warranty.

We haven't looked at that in the Yukon under any administration, nor has the vast majority of southern Canada. Standards need to specify key items. What's covered? What's excluded? What's the length of coverage? What are the claims procedures? Who do you go to? What staff? What office? What methods of resolving disputes? What appeal mechanisms? Who is doing the inspections?

Provisions ensuring fair treatment for builders have to also be appropriate. It can't be a one-sided thing. At present, the warranty providers are free to determine these matters based on risk analysis, builder and consumer preferences are factored in there and, obviously, administrative considerations and everything else.

I mean, we've focused a lot on the optimum length of warranty protections. If homes are built properly and for the long term, it's argued that it should be possible for builders and warranty providers to offer longer warranties with confidence and at relatively little additional cost. Basic warranties now cover defects in workmanship and materials, including water penetration -- we can't forget the B.C. model on that one -- for one year and five years for major structural defects.

Optional extensions are now available to builders, whether water penetration is covered for three years and major structural defects for 10, as well. A recent study -- not so recent because that particular study was done during the leaky condo thing -- but looking at wood-frame condominium buildings showed that the average time it took for water penetration problems to show up was just over three years. So, a two-year warranty is perhaps not of great value.

However, debates over length and obscure, equally important questions and definitions and exclusions -- if defects are too narrowly defined or key causes of problems are excluded, then consumers will find themselves responsible for repairs, which a reasonable person would expect to be covered by a warranty.

Likewise, there must be a procedure for ensuring that claims and disputes are decided fairly. Many consumers have voiced the opinion that a warranty program owned and controlled by builders appears to be in conflict of interest when passing judgement on claims and disputes between buyers and builders. I don't know, they might be right. That's a difficult one because that is the model in so many places. Is it the right thing to have done for those provinces? It's hard to say, but it's there.

It's debatable whether governments or homebuyers have the expertise to anticipate all the things that could go wrong and should be covered. There appears to be a consensus that consumers have not been adequately served by having little say in the coverage that's available. Moreover, gaps in coverage do nothing to provide builders with incentive to correct ongoing deficiencies in design and construction practices that vitally affect all consumers, really. So, we have another problem that is thrown into the mix here.

Most experts do agree, however, that the problems experienced by recent home purchasers are due to flaws in design

and/or construction rather than the lack of maintenance. I don't want to paint a picture that, if you're not doing all of this up-keep, your warranty or guarantee, or whatever you want to call it, would be kicked out. But the reality is that's a possibility. It depends on the warranty company and the nature of the contract and the reliability of the people who are doing it.

Over time, maintenance does play an increasing role in ensuring the integrity of a new home. There is ample evidence that early detection and correction of problems can help prevent more costly damage from occurring. That goes back to discussions we've had in many other cases that, if you aren't part of the solution and trying to mitigate the effect, then that has to be taken into account by the courts, the mediator, or the conciliator.

So that has to be recognized in a variety of different ways. Periodic service in new cars is a really easy thing to use to try to draw that conclusion. You need the proper visits and maintenance checks in order to keep that warranty in force. So, are those visits performed by the original builder? Don't know. Are they set up by the warranty provider, by the management company or contractor, and paid for either separately or as part of the initial home price or the warranty enrolment fee?

One proposal is to require a new condo corporation or an individual to contract for an independent, insured professional's audit of structural soundness for each building prior to the end of the first year of operation. It sounds good, but it also is very labour intensive.

Another way to encourage early detection and to recognize the growing importance of maintenance over time would be to offer pro-rated warranties. The share of the cost of a problem that was created would decline over the life of the warranty. Water penetration problems, for example, might be covered fully in the first three years, but the state of repair costs paid could decline by, let's say, 20 percent per year thereafter.

Similar to higher deductibles -- I remember as I mentioned a few moments ago, that by identifying anything into a number of components and then putting a deductible on each component, suddenly the leaky roof that leaked down to the insulation that caused the drywall to fall off might be defined as three incidents and suddenly you have three times the \$100 deductible. That is probably not going to fix the problem, but you see where I am going with that.

The higher deductibles in pro-rated warranties might also be a way of extending coverage without significantly increasing the cost of the warranty. Less attention has been focused on other types of housing activity, including manufactured housing, owner-built housing, very small builders -- which is common in the Yukon -- and major renovations, which will be certainly much higher on the table in the coming months.

I know the members opposite are going to be very anxiously awaiting some good announcements to those effects.

Major renovations will become much more common here. Again, it could fall under the purview of a lot of the different ones.

Quality control has not been a major problem in factory built housing and warranties for manufacturers and third party providers are prevalent in new manufactured home sales.

Manufacturers might wish to be able to continue offering their own warranties on homes that they have built. Often when we are dealing with manufactured homes, we are dealing with large enough organizations that can properly take the financial brunt. For consistency, home buyers might want to expect the same level of consumer protection, regardless of whether a home is site-built or factory-built.

Owner-built or self-built is an important component of housing construction in some parts of B.C. and Yukon. It is getting fairly common in the Yukon. When someone is building a house for themselves, there is an argument for exempting them from many of the requirements that are placed on those building homes for sale, because the owner will have to live with and pay for the consequences of the mess. If they make the wrong choices during the construction and lack the expertise, if they built it, they own it, I guess. Again, do we protect someone from the risk or do we recognize the quality of a tradesman who has the ability to do that for herself or himself.

However -- always a however -- once an owner-built house is sold, which is somewhat common in the Yukon, where people build it, live in it for one year and then sell it for tax purposes, any problems are passed on to the buyer and the consumer protection becomes a legitimate concern. While we have altered the way of looking at the problem and handling the problem, we have, in fact, created another problem. For those of us on this side of the House, this is something any government deals with on a day-to-day basis. Just when we think that we've solved one problem -- or as George Carlin said on one of his albums, just when you think you've solved it, you cross the International Date Line and you have a whole different situation.

Unless they're carefully designed -- there are some very good tradespeople who are capable of this -- special exemptions for owners/builders can also be used by small builders to avoid the warranty requirements. There is already evidence that some builders operate under the guise of owners/builders, avoid the requirements and taxes that would apply and then, one year later, sell it and move on to their next house. Nevertheless, legitimate small builders who build only one or two houses a year might find it too costly or impractical to register with that warranty provider.

Many of the same problems that have affected new housing construction are also present in the home renovation market. In the very near future, the home renovation market will become a major thing in the Yukon. The skills required are similar and many of the same builders do both new construction and renovation work. Transactions frequently involve thousands or tens of thousands of dollars. While the *Trade Practices Act* does apply to most renovation transactions, the legal recourse available to homeowners has not always been effective in practice.

On that note, Mr. Speaker, I do have to admit that I've had several people in the last few weeks approach me and ask me a question and I honestly don't know the answer. I simply throw it out there for other people to consider. If contractors won't have work or don't have work because of a shortage of lots, why can't anyone find a contractor to do the work? They are

very similar and so we will be looking at ways to expand that market in the near future. That's something that is a high priority for this government.

If we require manufactured housing to offer the same level of third party warranty as other new homes, but allow established manufacturers to make their own cost- and risk-sharing arrangements with third party providers, there's another possibility. Such arrangements would also be possible for the established site-builders.

There are a number of provisions for the owner-built homes that have come up in various discussions. Sellers could simply be required to disclose the fact that a home was owner-built and not carry a third party warranty -- sort of like selling a car and providing a certificate that you've never looked under the hood, but what the heck.

You could say that these owners/builders selling their home within a defined number of years after construction could then be required to purchase third party warranty, post a bond, or leave a certain amount of the sale proceeds in escrow for the remainder of the period that a new home would normally be covered by that mandatory warranty. It's a possibility. Again, it's a bit onerous, but to not do it might be onerous in the other direction. So, I don't know. These are things that I think have to be looked at in great detail and proper consultations should be done.

Alternatively, owners/builders could either be required to apply to register with third party warranty providers before building or to hire a contractor who would oversee the construction and provide a warranty through their own registration with a warranty company.

Bonds or stronger implied or contractual warranties could also be a way of accommodating very small builders who are qualified, but for whom it is impractical to obtain a third party warranty. It has been proposed that renovations above a certain dollar value be subject to a third party warranty requirement -- include the warranty work and the renovations into the same thing, but specifically that third party work.

Once they have come back and done the warranty work, what's the warranty on the warranty? If your car dies within the warranty period and they have to put a new engine in, does that new engine have the same warranty that the original one did? So that has to be looked at.

Warranty companies have been working on developing a voluntary renovations warranty for many, many years. That's another aspect that we have to look at.

In terms of builder registration, currently there are really no formal qualifications, licensing, bonding and insurance. The Member for Mount Lorne is completely right about that -- you want to hang your shingle out and get a business card and off you go.

Again, I stress the fact that you have to find out what buildings this person has built, and really do a complete analysis on that. There is no way to prevent individual builders or companies with a history of deficient construction or unethical practices from continuing to build -- rename the company and keep going. So, we have to look at proposals for a registration system, who administers it, office space, staff, what qualifica-

tions are required in order for a builder to register. Is a carpenter with 20 years' experience capable of registering as a builder? I don't know. I don't know many carpenters who want, frankly, to do the plumbing, the sheet metal, or the roofing or anything else within the subtrades. I don't know. These are things that have to be looked at.

Homes covered by third party warranties are sometimes inspected by the warranty company during construction. This is a potential problem here, of course, because if it's a third party warranty from down south, you now have airfares and everything else for people to come up and do that examination, unless it involves hiring somebody locally. There is always the problem there. Again, I've not experienced it, but I have had other people make comments regarding the fact that, you know, you've got Joe's third cousin inspecting his work and when it comes time to do something else, Uncle Fred is the one who is coming in to do it. We are a small jurisdiction. To a large degree, that's why a lot of us are here. It's kind of nice to have that smallness, but it does create its own set of problems.

Relatively inexperienced builders or builders who have had difficulties in the past could be subjected to closer scrutiny than established companies, or they could be denied coverage and hence the right to build altogether. As soon as you remove the ability for anyone to make a living in their trade, you have the potential of a lawsuit of all lawsuits. So, that's a nice concept but it's not a reasonable concept. Who is going to determine that that carpenter isn't qualified? Another carpenter who lost out on a bid last week for something that is totally unrelated? It's possible. You have to have a relatively air-tight mechanism in order to do that. That's not something that is easy or cheap to put together.

Now others have contended that it places too much power and responsibility in the hands of the warranty company. That's, of course, another possibility or, alternately, warranty companies have not shown that they can adequately screen builders. Boy, is that another one.

Insurance companies, by way of analogy, are not interested in licensing drivers. Can you imagine if you had licensing of automobile drivers by an insurance company? This simply would be a horror show.

One option would be to have the government require builders to meet certain registration criteria and, possibly, handle the registration itself, as it does, for example, for electrical contractors. Builders could have the right to appeal a denial or revocation of registration. Any registration scheme could also be applied to contractors undertaking substantial renovation work. However, how do you set that up? You have another layer of bureaucracy that could potentially involve that. Is that a good thing? Is it expensive? Is it a bad thing? I don't know, but it is part of the study and, really, the teardown that we have to look on this.

I mean it is easy to say that qualifications should be required of builders and that that is important and responsible for any registration or licensing system. While educational programs are well-established for such regulated disciplines as architecture and real estate and apprenticeship requirements,

and they exist for trades such as electricians and plumbers, no qualifications are currently required for home builders.

The members opposite are completely right about that. Rather than being used as a screening tool to ensure certain minimum qualifications, registration could be used to ensure reasonable performance. In such a system, builders would initially be presumed to be qualified. What is the difference? If we are going to assume that they are qualified to start with, it's like saying that Johnny, who is 16 and hasn't been in a car yet, looks like a pretty good driver. We'll give him his licence and see what he runs down. I would suggest that this is not really a way to do that.

Again, we are back into revoking or denying a builder's registration and special conditions. Effectively, they are put out of business. Some kind of apprenticeship program or something like that should go into it. Is that a bad thing? It's probably not. It's probably a pretty decent thing to do. Again, it's another thing we have to look at and examine.

There are existing voluntary industry certification programs. They could be adopted and adapted as appropriate. We go back to the Canadian Home Builders Association in British Columbia. They offer programs leading to designations as a registered housing professional for individuals or certified residential builder for companies. The Amalgamated Construction Association offers an accreditation certificate program for larger general and trade contractors who demonstrate construction experience and acceptable technical and business skills.

The Architectural Institute of British Columbia also has begun offering courses leading to designation as a certified building envelope specialist. The City of Vancouver, for instance, now requires ongoing inspections by such specialists during the construction of many of their larger buildings. It might be appropriate to have an industry council or advisory board design programs and qualification standards. Training must be useful and responsive to changes in materials and techniques, as well as to problems as they arise.

There is always the "but" -- such a program would also have to have a reasonable component in business management. It makes little sense to train someone in running a company to build houses without giving them the financial ability and expertise, personnel management and everything else, in order to actually do that. It's sort of like training a doctor and then not giving them anyplace to work -- that would be a reasonable analogy, I think. You've got problems there again in terms of looking at how you're going to set that whole thing up.

Steps do have to be taken to improve homebuyers' awareness of potential problems and how to best protect themselves. I hope we have had a good start today toward educating people on not only the pitfalls but the benefits and ways to mitigate the potential risk. People have to know how to protect themselves. Builders, developers, warranty providers, government and the inevitable media have acknowledged there is a problem and they have begun to contribute toward consumer education, at the same time realizing that "buyer beware" is not a sufficient response. We agree with that.

Much less help has been available for homeowners already experiencing problems. Affected homeowners need practical

advice on such tasks as identifying problems, performing maintenance, screening potential repair contractors, enforcing rights under a warranty program or under the law. Some have turned to lawyers, government, industry organizations and the Condominium Home Owners Association for British Columbia. Each may only be able to provide a portion of the advice needed. But again, people should feel free -- and I would encourage people -- to contact the good staff at Yukon Housing Corporation. What we have there in resources and what we have there that can be utilized by people -- even outside our programs or anything else. Come down and have a chat because we have an incredible pool of expertise there to garner.

One suggestion is a consumer hotline. This, because of the size of our jurisdiction, becomes a little difficult, but it has been suggested that a hotline could provide guidance to prospective buyers. I suggest that they contact Yukon Housing Corporation and the good people there.

Such a thing could advise owners and strata councils or condo councils experiencing construction problems and maintain a list of qualified professionals able to inspect construction. Doing it through government, we're not about to recommend carpenter A over carpenter B, but we can still help and give direction on where to go to get that information.

We can help design maintenance programs and conduct effective repairs. It could be jointly funded by the province, by industry associations and warranty. The Housing Corporation is sitting there. It could be run by an independent consumer organization. Ours is sitting there.

It has been proposed that a listing of all registered builders, along with the performance ratings, be available to the public. Government can't make that jurisdiction, but I go back to the Better Business Bureau and maybe that's something that our Chamber of Commerce could look at in terms of setting up a better business bureau in the Yukon and tapping into that incredible resource.

Currently, only warranty providers rate the experience and performance of builders. The ratings are used to determine the level of security a builder requires and to set warranty enrolment fees, but are not publicly disclosed. Disclosure of builder performances would also aid in any builder renewal process. The difficulty there is government is not really in a position to make recommendations.

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

Debate on Motion No. 134 accordingly adjourned

The House adjourned at 5:30 p.m.

The following documents were filed June 6, 2007:

07-1-21

Fleet Vehicle Agency 2007/2008 Business Plan (Lang)

07-1-22

Queen's Printer Agency 2007/2008 Business Plan (Lang)

07-1-23

Yukon Hospital Corporation, Board of Trustees: letter of resignation from Marny Ryder (dated November 12, 2006) to the Minister of Health and Social Services, Yukon Government (Mitchell)