

**Whitehorse, Yukon**  
**Thursday, May 3, 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 International Youth Week

**Mr. Elias:** I rise today on behalf of all members of the Legislature in paying tribute to International Youth Week. International Youth Week began in 1995 as a small grassroots movement in Canada and has grown into an internationally recognized event held annually each May. It is a week of fun, interaction and celebration intending to build a strong connection between young people and their communities and to profile the issues, accomplishments and power of youth.

Locally, the organization Bringing Youth Toward Equality, fondly known as "BYTE", hosted a kick-off event to Youth Week Tuesday afternoon at the Elijah Smith Building with guest speakers and photo displays by our youth.

Also on display this week in the main government building is a photojournalism exhibit on prevention of sexual violence as seen through the eyes of our youth. Throughout the rest of the week, BYTE will be hosting free barbeques at secondary schools in Whitehorse. Today, May 3, the ninth annual Yukon Historica Fair is being held at the High Country Inn. There are approximately 120 students, grades 4 to 9, coming from schools from the communities of Old Crow, Dawson City, Mayo, Carmacks, Watson Lake and Whitehorse to participate in this fair. BYTE is also holding a two-day workshop this weekend with the group known as the Power of Hope. The Power of Hope offers programs for youth and young adults, who want to take an active role to create a positive future, develop their leadership skills, build strong communities and have a great time in the process.

Closing out the Youth Week celebrations, the Yukon Music Camp Society is holding a Yukon young musicians concert on Sunday, 2:30 p.m. at the Yukon Arts Centre. Performances will include vocals, strings, guitar, piano and winds. The concert provides an opportunity for youth to perform in a non-competitive atmosphere. Tickets are available at the Arts Underground and the Yukon Arts Centre box office.

Youth Week offers us the opportunity to honour the talents, ideas and abilities of our young people and make a commitment to ensure that their voices are heard. We salute all the volunteers and organizations that offer our youth the opportunity to bring positive changes into our lives and the world around us.

Young people are truly our future, and how we support them now goes a long way toward them achieving their true potential.

Thank you. Merci beaucoup. Mahsi cho.

## INTRODUCTION OF VISITORS

**Mr. Cardiff:** I would like to ask all members of the Legislature to join me in welcoming Beth Mulloy, the executive director of the Yukon Literacy Coalition, and Tonya Paul, who is the new family literacy coordinator with the Yukon Literacy Coalition.

*Applause*

**Speaker:** Are there any further introductions of visitors?

## TABLING RETURNS AND DOCUMENTS

**Speaker:** Under tabling returns and documents, I have for tabling a report of the Clerk of the Legislative Assembly on travel expenses of members of the Legislature during the 2006-07 fiscal year.

**Hon. Mr. Kenyon:** Mr. Speaker, I have for tabling today the 2005-06 annual report of the Yukon Lottery Commission.

**Speaker:** Are there any further documents for tabling?

Reports of committees.

Are there any petitions?

Are there any bills to be introduced?

Are there any notices of motion?

## NOTICES OF MOTION

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

THAT this House urges the Yukon government to immediately respond to the report from the Whitehorse Youth Coalition, titled *More than a Roof: Call to Action for a Youth Emergency Shelter/Safe Home*, by

(1) directing the Minister of Health and Social Services and the minister responsible for the Yukon Housing Corporation to begin working immediately with the coalition, as well as Yukon First Nations and the relevant federal agencies to ensure that a suitable shelter is in place no later than two years from now;

(2) setting aside capital funding for that purpose in the current fiscal year and the 2008-09 fiscal year; and

(3) working with other levels of government and stakeholder groups to design and implement youth counselling and other support services to assist Yukon youth who are homeless.

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

THAT this House urges the Premier in his capacity as minister responsible for the Executive Council Office to establish an independent, non-partisan commission of Yukon citizens to conduct a review of MLA salaries and benefits in relation to those in other Canadian jurisdictions and to report its findings and recommendations to the Yukon Legislative Assembly during the fall 2007 sitting.

**Speaker:** Are there any further notices of motion?  
Is there a statement by a minister?

### Speaker's statement

**Speaker:** Before we proceed with Question Period, the Chair will make a statement regarding two events that occurred yesterday in this House.

During his response to a question from the Member for Mount Lorne, the Premier said, "The member is trying to create a perception here that the government does not demonstrate compassion." Suggesting a member is trying to create a perception by way of asking a question during Question Period could result in a violation of Standing Order No. 19(g) -- attributing a false or unavowed motive to the member asking the question. Therefore, I would ask members to avoid making that kind of suggestion.

Also, during his main question the Member for McIntyre-Takhini asked the Minister of Justice, "Is the minister aware that some parts of the Yukon government's employment equity policy may be in conflict with the *Canadian Charter of Rights and Freedoms*?" The Chair would draw the House's attention to Guideline No. 5 of the Guidelines for Oral Question Period. It says, "A question may not ask for a legal interpretation of a statute." Members should be careful to pose their questions so they do not violate these guidelines.

We will now proceed to Question Period.

## QUESTION PERIOD

### Question re: Minto mine power purchase agreement

**Mr. McRobb:** Yukoners woke up to some very bad news on the radio this morning. A \$35-million power deal may be dead due to the bungling of this Yukon Party government. The Minto mining company has walked away from a deal that was put together by this Yukon Party government and the Minister of Energy, Mines and Resources. The failure of this deal will have serious consequences for the mining company, the Selkirk First Nation, the Yukon Energy Corporation, all electrical ratepayers, residents in Pelly Crossing and our environment. Is the minister prepared to take responsibility for this failure, or will he just continue to point his finger?

**Hon. Mr. Lang:** In replying to the member opposite, of course we are working with Yukon Energy. The Yukon Utilities Board, of course, has made a decision on the application. The decision was, I guess you would say, a surprise. But that decision was made by the Utilities Board, which has the jurisdiction to do that. I am certainly looking forward to the next couple of weeks. If we can address some of the Utilities Board's questions and answer some of them, I am sure that we can resolve the issue between the Yukon Energy Corporation, the Yukon Utilities Board and the mining corporation. So, I'm looking forward to the dialogue that is going to happen in the next 10 days to see if we can put this thing back on the track.

**Mr. McRobb:** Mr. Speaker, this is bad news all around. The Yukon Energy Corporation stands to lose millions of dollars of revenue. The community of Pelly Crossing might have to continue burning diesel and the mining company is

going to have to run their entire project on diesel for years. This will drive up the cost of operating the mine and, of course, is bad for our environment. The buck stops at the minister's desk. A power purchase agreement should be an essential component between the Yukon Energy Corporation and the mine, as well as ratepayers. If done correctly, it could provide benefits to all parties without putting ratepayers at risk. Unfortunately that is not the type of deal this minister put together. His firecracker of a deal turned out to be a dud. How does the minister plan to rescue this deal?

**Hon. Mr. Lang:** I remind the member opposite that the process was followed. The Energy Corporation put a power purchase agreement to the Utilities Board, which is in place, independent of anybody, to make these calls. The process was followed. It's not up to me as Minister of Energy, Mines and Resources to make any side deals with these corporations. The Utilities Board is there to protect the ratepayer -- not like the Liberal government of the day that neglected to put their proposal in front of the Utilities Board, and the ratepayers are going to be paying for that for years to come. The Utilities Board, a stand-alone agency, is doing its job.

Now it's up to us, the Energy Corporation and the mining company -- Sherwood Copper -- to come forward and answer the questions. I'm sure it's a doable deal. I compliment the Utilities Board. They are doing their job; they're arm's length; and they're put in place to protect the consumers of the Yukon, and that's who we're working for in this room. To insinuate in this House that the Utilities Board made a wrong decision is not a proper dialogue in this House. The Utilities Board, unlike when the Liberals were in power, was utilized to do the job that they're assigned to do. Mr. Speaker, the job was done.

**Mr. McRobb:** The Utilities Board protected the consumers from this minister's plan. Now, there's a great deal of fallout from this and it's all bad. The minister's failure to put together an acceptable deal will have negative consequences on the mining company, on the Energy Corporation and on electrical consumers. This government simply didn't do its homework, didn't do the heavy lifting required, and where has that left us? They rushed this agreement, they tried to rush the Utilities Board, and the minister's approach has left us without a deal in place and instead burning diesel.

Is the minister prepared to take responsibility for this failure, or will he continue to point his finger?

**Hon. Mr. Lang:** In addressing the member opposite, 10 short days ago the member was worried about us building a power line to a mine. Yesterday the Utilities Board made a decision, and the decision is the decision that the Utilities Board is outlined to provide. The Energy Corporation put the proposal forward. This government didn't put a proposal in front of the Utilities Board. We never made any price deal with Sherwood Copper.

That's why we have the Energy Corporation. It's a stand-alone corporation that does the business of the day of energy in the Yukon. I am sure, now that the Member for Klwane is now so pro-mining, that in the next 10 days we will be able to resolve the questions that were asked by the Yukon Utilities

Board and which they feel would be detrimental to the consumer in the Yukon.

The Yukon Utilities Board did their job and we will honour that decision.

**Mr. McRobb:** We supported the Carmacks-Stewart transmission line project in principle.

Yesterday the minister's failed deal was equated to a house of cards that has been knocked down. Let's now look at what some of those cards are and the ramifications. On March 30, 2007, the minister's officials let a contract for \$450,000 on this proposed grid extension. As Yukoners heard on the radio this morning, the viability of this project is now endangered because the minister's deal with the mining company was deemed by the regulator to compromise the interests of the territory's electrical consumers.

We said at the time -- and I'll repeat -- that it's not a good business decision to let contracts for projects without first having the necessary approvals in place. I'm sure all Yukoners will be quite concerned about having to pay for the \$450,000.

How will he possibly explain that decision?

**Hon. Mr. Lang:** The contracts were let through the Energy Corporation. Whatever is done on the ground will not be for naught. Work like that is ongoing in the Energy Corporation. They do it on a daily management position. The Yukon Energy Corporation is very optimistic, now that it has the support of the Liberal Party in the Yukon, that this thing can be resolved in a very businesslike fashion.

This is not the end of the road nor is it the end of the power line from Carmacks to Pelly. It's a stumbling block, but we meet them every day. In the next week we should resolve the issues the Yukon Utilities Board has, and with the solid support for mining from the Member for Kluane, who all of a sudden has seen the light -- it might be because of his new life as a Cadillac socialist --

### Unparliamentary language

**Speaker:** Order. The honourable member would retract that statement, please.

**Hon. Mr. Lang:** Which part of it?

**Speaker:** You know which one.

### Withdrawal of remark

**Hon. Mr. Lang:** Okay, I retract that.

**Speaker:** Stand up, please.

**Hon. Mr. Lang:** I retract the statement that I just made, Mr. Speaker.

**Speaker:** Are you done now?

**Hon. Mr. Lang:** No, I'm not.

**Speaker:** You have about another three seconds.

**Hon. Mr. Lang:** Mr. Speaker, the Yukon Energy Corporation and the Yukon Utilities Board are going to be working next week to try to resolve --

**Speaker:** Thank you.

**Hon. Mr. Lang:** We are looking forward to that.

**Speaker:** You are done. New question.

### Question re: Minto mine power purchase agreement

**Mr. McRobb:** This minister is not taking this issue very seriously. He gave his officials the thumbs-up to proceed.

Mr. Speaker, the Yukon Party government was in such a hurry with this project, that it prematurely made a number of financial decisions, all based on assuming that this deal would be approved. The deal was deemed to not be good for electrical consumers, and his house of cards has tumbled down.

Another card is this government's decision to throw \$10 million at the grid extension to connect the mine to the grid, which is another project that is up in the air. The government also prematurely sunk all \$5 million of our federal climate change money into the third wheel, which was a poor decision that is even worse now. Why did this minister build this house of cards on such poor assumptions? Will he just continue to point his finger?

**Hon. Mr. Lang:** I appreciate the member opposite. We are certainly working toward some of the commitments we made in our campaign literature. One of them was to develop a territory-wide electrical grid. We made a commitment. We went out to the people of the Yukon. They accepted that platform and so that is what we're working toward.

Regarding the grid between Carmacks and Pelly, we are working on that today. The corporation is meeting with the powers that be. They are going to resolve the questions that were brought forward by the Yukon Utilities Board. That will be done, and we are all confident that it will turn out to be successful.

The Yukon Utilities Board did its job protecting the rate-payers of Yukon. They had questions. That is why we put it in front of the Yukon Utilities Board. This was no rubber stamp. The Yukon Utilities Board did their due diligence. They found some questions. We, the Yukon Energy Corporation and the corporation will answer those questions in a timely fashion. We hope to have power tied between Carmacks and Pelly under the schedule that is laid out before us.

**Mr. McRobb:** Again, the minister is skirting the questions. This Yukon Party government disregarded the importance of the regulatory review and assumed its plan was a done deal. Why else would it have prematurely committed millions of dollars on projects that are unjustified without an approved power purchase agreement?

Minto's press release from yesterday indicated it was prepared to proceed with its original plan to burn diesel at the mine site. In addition to the economic fallout, such recourse would harm our environment and worsen the climate change problem. These consequences are very serious and the minister needs to take them just as seriously.

Given yesterday's firm statement from the mine, will he now explain to this House exactly what he will do to try to avoid the severe consequences?

**Hon. Mr. Lang:** The plan for Minto mine was always for diesel power. That is part of the business plan. This hydro concept was a thing brought forward -- that we would mitigate the diesel and tie in another community in the Yukon. This

government has gone forward with that. The mine itself has always had diesel as its power source.

What are we going to do as a government? We are going to encourage the Yukon Energy Corporation and Sherwood Copper to answer and address the questions that the Yukon Utilities Board brought forward. This is not insurmountable. They are very clear and they can be answered. We recommend the two parties get together and take the next step -- answer the questions and make the Yukon Utilities Board more comfortable with the deal. That's all we are doing. As the minister, I encourage them to go to work as soon as possible on the issue.

**Question re: Non-governmental organizations funding**

**Mr. Hardy:** I have a question for the Minister of Finance. When the minister was explaining the massive size of the interim supply bill he introduced, he said it included up-front payments to Yukon College, the Yukon Hospital Corporation Board, and a number of non-governmental organizations. Unfortunately he wasn't able to tell this House which NGOs get funding up front.

As we have pointed out all week, the delay in receiving government funding is creating a hardship for a number of groups throughout the territory. Has the Minister of Finance now figured out which NGOs receive their funding at the start of the fiscal year, and will he table that information at his earliest opportunity?

**Hon. Mr. Fentie:** Mr. Speaker, the minister does not canvass the departments on which NGOs require funding beginning April 1. The Department of Finance canvasses those departments. The departments come forward with a list of NGOs that require that funding and, once done, we ensured that funding was available, not only in the special warrant, but also in the interim supply bill, because it can be deemed as non-discretionary funding. That process has taken place and we stand by that process. That is something that has gone on with government for a long, long time. I recently listed in this House, year by year, the number of special warrants that have been used dating all the way back to 1985. Virtually every year there were special warrants used with the same process in place.

**Mr. Hardy:** Now the Minister of Finance didn't answer the question, and he intentionally avoided it. Mr. Speaker, I am pretty sure that none of the 52 NGOs we surveyed about their funding situation have been very impressed with the Finance minister's answers this week.

In the past this minister has suggested that he is so financially secure that he doesn't even have to look at his own paystubs as an MLA; however, for many, many individuals and community organizations, cash flow is a major problem.

I would like to ask the minister about a specific sector of our economy that relies on government funding. Will the minister explain why the Department of Finance has ruled that arts groups supported by the Yukon arts funding program can no longer get an advance on their funding to meet operational needs until their full grant money arrives?

**Hon. Mr. Fentie:** First, the NGOs that we contribute resources to do a valued service here in the territory in many

areas, but I think I have to once again be clear with the member opposite; once the Department of Finance canvasses all other departments, the departments come forward with the list of NGOs that require funding. To suggest that the government is in any way reneging on its commitment to NGOs in this territory is not the fact at all. I would also point out that in doing what we do for NGOs and all other entities that we expend the public's funds to, we also will be very closely monitoring how those funds are expended on behalf of the Yukon taxpayer. That is part of this process. This is in no way diminishing the importance of the NGOs' work. We as government have substantially increased the resources available to many areas, such as Kaushee's Place, Help and Hope for Families Society and youth groups.

By the way, we have done very well in working with the Literacy Coalition here in Yukon also.

**Mr. Hardy:** Mr. Speaker, once again the minister has avoided an answer. I asked a question specifically about the arts funding program and he goes sideways.

For the past 10 or so years, these groups have been able to get cash advances. Now they cannot. Why is that? For some of them it means they may be operating for several months on credit cards, lines of credit or out of their own pockets. Not only does this add to their expenses, it could also mean cutting back on personnel and administrative resources at the very time they need all hands on deck to organize upcoming events.

Let me repeat a question my colleague for Mount Lorne asked the other day, which the minister failed to answer: in his capacity as Premier, will the minister set up a task force involving all departments that deal with not-for-profit groups to come up with an effective mechanism that will allow these groups to provide a seamless service to Yukon people?

**Hon. Mr. Fentie:** Mr. Speaker, the Member for Whitehorse Centre, the Leader of the Third Party, is suggesting that we don't have appropriate services in the Yukon. I would disagree with that vehemently. This territory is further ahead in many areas than anywhere else in the country. For example, let's compare what we invest in our education system through groups that are out there providing a service to help our young -- not only that, through the Youth Directorate. Let's talk about how we have invested in those areas. Let's talk about NGOs like Kaushee's Place and the Help and Hope for Families Society, which are dealing with women and families who need that service and where we have gone with that.

Mr. Speaker, let's look at the Women's Directorate investment out there for NGOs as another example and look at the many NGOs that the Health and Social Services department and the Education department deal with and invest in. The list goes on.

We, on the government side, want to clear up this misconception that somehow NGOs are being penalized or reduced in their capacity. This is not correct. In fact, we have increased their capacity, but we will also do what is required of us when it comes to fiscal management on behalf of the taxpayer.

**Question re: Homeless youth**

**Mr. Hardy:** For many youth on the streets of Whitehorse, survival is a day-to-day struggle. It means violence,

theft, poor health, mental health problems, alcohol and drug abuse, sexual abuse, criminal activity and isolation from society. The number of young women on the streets is increasing. Some have to resort to trading sex for a roof over their heads.

A year ago, the Premier brought together the agencies serving youth to identify program needs. High on that list was a shelter for homeless youth.

With the biggest budget in Yukon history before this House right now, why is there not one red cent in capital money allocated to meeting that need?

**Hon. Mr. Cathers:** I thank the Leader of the Third Party for his question. I will be responding to this because the Department of Health and Social Services is the department at the moment most involved in working with this group that has brought the proposal forward.

I appreciate the comments from the Leader of the Third Party. The report and proposal that was brought forward is one that we are very interested in working with them on. There are a few areas that do need to be ironed out before decisions for funding, as suggested by the member opposite, could be made, but work is ongoing right now and we look forward to continuing and concluding that work.

**Mr. Hardy:** It's amazing how fast they find money for railway studies -- \$10-million lines and such -- but they have to drag their heels around youth.

Studies on homeless youth were done for the Yukon government in 1998, 2001 and 2005. The amount of money spent on studies about a youth shelter would have gone a long way toward getting one started. Six weeks ago we received yet another study on homeless youth, *More Than a Roof: Call to Action for a Youth Emergency Shelter/Safe Home*.

Will the Premier finally tell the homeless youth of this territory that he has heard their call for action and that he will allocate capital dollars right away to develop a shelter -- we know it's needed -- and O&M money for the support programs? We know they are needed as well. We don't need more studies.

**Hon. Mr. Cathers:** I would point out that this is an area where our government has already stepped forward, to deal with issues related to this -- increased investment within our own system in social services and within the health system, and in funding organizations such as the Salvation Army and the new funding for the Outreach van to assist with individuals who might be slipping through the cracks of the standard system. In the case of the Outreach van, it is targeted at individuals who may be somewhat reluctant to seek services from the standard government agencies.

We have already stepped forward and we will continue to do so. With regard to the specific report and proposal he pointed out, there have been some concerns with it from First Nations that did not feel they were adequately involved in the development of this report. Since First Nations citizens are so disproportionately represented in this sector that is being targeted, we think it's very important to ensure their governments are fully engaged and involved in that process. That concern was raised to us by the First Nations, so that is one of the areas to which I referred. That needs to be ironed out before funding a proposal would be timely.

**Mr. Hardy:** The Whitehorse Planning Group on Homelessness has made very clear recommendations about local spending priorities under the national homelessness initiative. The Whitehorse Youth Coalition has developed an implementation plan for an emergency youth shelter safe home. The need is clear. The background work has been done. Many, many organizations have been involved. We don't need more studies, reports and reviews. We know how this government hides behind reviews instead of taking action. We have seen it time and time again.

My question is this: will the Premier direct the Minister of Health and Social Services and the minister responsible for Yukon Housing Corporation to begin working immediately with the Whitehorse Youth Coalition, Yukon First Nation governments and the relevant federal agencies to ensure that a suitable shelter is in place by no later -- I'm giving him a fairly good margin here -- than two years from now?

**Hon. Mr. Cathers:** I appreciate the comments from the member opposite. I must point out to him that we have in fact acted far more decisively than many previous governments that did nothing in these areas. We have funded the Outreach van; we have increased the funding to many NGOs in this area and in related areas. I referred to areas that this report and this proposal do not adequately address. They include First Nations, who felt they were not adequately consulted in the development of it. It includes the fact that we have heard from several of the NGOs, who provide related services that might impact many of the same clients, that they were not adequately consulted in the development of it. They have some very valuable experience that would contribute to a better homeless youth shelter.

Department officials are currently working with the Whitehorse Youth Coalition, which brought this forward. We will continue to do so and look forward to moving forward in this area. It is an area where we recognize the concerns and we are acting on them.

#### **Question re: Environment report**

**Mr. Elias:** I have a question for the Minister of Environment. Yesterday I asked the minister when his department intended to comply with the *Environment Act* and table the Yukon state of the environment report. The state of the environment report is not only important but it is essential to empowering Yukoners and facilitating open and accountable environmental governance.

Yukoners cannot be left in the dark on the number one issue facing them today. Yukoners care and deserve to review what the state of their environment is so they can grade how well the minister is doing.

Will the minister now do the right thing and assure Yukoners that the report will be prepared and tabled, as required by the law of this land?

**Hon. Mr. Fentie:** I think yesterday the members were referring to breaking the law in this matter. Frankly, Mr. Speaker, that is a little over the top.

I also have to clear up another matter. The member is suggesting that the only way we can empower Yukoners is by tabling a report. I would submit here that we empower Yukoners

through the establishment of renewable resource councils; through the Fish and Game Association; through the Fish and Wildlife Management Board; through the salmon committee; by holding the first-ever Yukon Environmental Forum recently here in Whitehorse. All these measures are empowering Yukoners.

When it comes to reports, however, we are not going to disseminate in the public domain information that is in fact incorrect. If I may use the example of the report from 2002, there was some erroneous information in the report that simply did not demonstrate the state of Yukon's environment. Quite the contrary, it demonstrated the state of Yukon's environment as it was not.

**Question re: Environment report**

**Mr. Mitchell:** I would like to question the Premier on some comments he made yesterday in this House. He was asked by my colleague about the state of the environment report. This is a report that has been produced by both NDP and Liberal governments in the past. Since the Yukon Party government came to office it has not been produced. It is something that is required by law under the *Environment Act*. Yesterday the Premier said, "I will look into the matter as far as the very benign legalities around this particular issue are concerned." In other words, the Premier did not really think it matters whether or not the government followed this law -- and they wonder why we constantly refer to the arrogance of government.

The Premier put on the record yesterday that he doesn't really care if the government follows the law or not. He thinks his government is above the law.

What makes the Premier think he can pick and choose which laws his government follows and which ones it doesn't?

**Hon. Mr. Fentie:** Well, Mr. Speaker, if the Leader of the Official Opposition can conclude from yesterday's Question Period and debate that the government does not care whether it breaks the law or not, there is not much I can do in responding to the member opposite because there is no answer to such erroneous conclusions.

When it comes to the report itself, we will only table reports in the public domain that are correct. In fact, on this matter, we have -- when it comes to the 2002 report -- corrected it. That is what we put into the public domain. When it comes to 2003-04, those reports are being worked on, but I don't even think the member understands where most of the information comes from. It comes from research and statistical data provided by Canada. We are critiquing all that data today. Once that work is done, and we have a report prepared that clearly demonstrates the state of the Yukon environment, we will make that public.

I think the members opposite are doing a disservice to the Yukon public by suggesting that the only mechanism that will provide Yukoners insight into the state of the Yukon environment is the Yukon environment report. That is incorrect. There are so many other mechanisms and measures that we have in place today in the Yukon Territory that clearly demonstrate the state of the Yukon environment.

**Mr. Mitchell:** The Premier can't take back what he said yesterday. It is on page 550 of yesterday's Blues. He stood in this Legislature and said it didn't really matter if the government was following the *Environment Act* or not. So what? We're not following the law. This speaks to an attitude that surrounds this government's entire approach. It's called "arrogance". It's not up to the Premier to decide what laws this government follows or not. It is the Premier's duty to follow all the laws. He can't just thumb his nose and say that a law is unimportant and he is not going to follow it. The Premier is the highest elected official in the Yukon. Yukoners look to him to set a standard. What kind of example does the Premier think he is setting when he says that his government doesn't have to follow the law?

**Hon. Mr. Fentie:** Well, this is a real gem. The member is now suggesting that, written in *Hansard*, there is a direct quote that says the government has articulated here in this Assembly that we don't have to follow the law and that we will pick and choose what law we want to follow. I challenge that member to bring those quotes into this House.

This stacks right up with the misrepresentation of the Ombudsman's correspondence with the Workers' Compensation Health and Safety Board. We all know what happened to the member when he tried that tact. This ranks right up there with the Member for Kluane suggesting that the government has an employment office at the Adult Warehouse. We all know where that went. This question today is an exact carbon copy of that approach by the Official Opposition. Who is really arrogant?

**Mr. Mitchell:** Yesterday the Premier stood in this House and said he didn't really care if the government was following the *Environment Act* or not. He referred to "the very benign legalities around this particular issue". That is a strange choice of language. The dictionary defines "benign" as not threatening to life or health; not malignant. Does this Premier set himself above the law as the arbiter of which laws are benign and which are perhaps malignant?

What an arrogant approach to take, and what a message to send to our young people during International Youth Week. The top official in the territory says it's okay to pick and choose what laws the government is going to follow. What other laws does the Premier think it's okay for government to ignore? I have a simple question for the Premier: will he make a commitment today that this government will follow all the laws of the Yukon?

**Hon. Mr. Fentie:** I have a suggestion for the member opposite: change the script. This government does not break laws nor will it break the laws. Furthermore, I think that in my response to the member's supplementary before his last one I clearly demonstrated why we are not going to accept the member's approach and view on this. It's his opinion; it does not demonstrate what actually is happening.

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

## ORDERS OF THE DAY

### GOVERNMENT BILLS

#### Bill No. 32: Second Reading

**Clerk:** Second reading, Bill No. 32, standing in the name of the Hon. Mr. Hart.

**Hon. Mr. Hart:** I move that Bill No. 32, entitled *An Act to Amend the Ombudsman Act and the Public Service Group Insurance Benefit Plan Act*, be now read a second time.

**Speaker:** It has been moved by the minister responsible for the Public Service Commission that Bill No. 32, entitled *An Act to Amend the Ombudsman Act and the Public Service Group Insurance Benefit Plan Act*, be now read a second time.

**Hon. Mr. Hart:** I am honoured to rise here today in the Legislature to introduce amendments to the *Ombudsman Act* and the *Public Service Group Insurance Benefit Plan Act*. We recognize the fine work of the office and are committed to fully implementing the recommendations of the Members' Services Board and the Joint Management Committee.

The amendments we are bringing forward today clarify that the *Public Service Group Insurance Benefit Plan Act* and the insurance contracts made under it apply to the employees of the Ombudsman's Office.

The employees of this office will not be considered government employees but will have the same access to insurance benefits such as dental, extended medical and disability insurance, as Cabinet and caucus employees, MLAs, and judges.

I would like to provide some background about why these amendments are being introduced. In the fall of 2005, amendments were made to the *Public Service Group Insurance Plan Act* to include judges and therefore give judges access to group insurance benefit plans.

Following the amendments to include judges in November 2005, the Members' Services Board of this Legislative Assembly -- the board that approves the Ombudsman's annual budget -- recommended access to the group insurance benefit program for the staff of the Office of the Ombudsman. The Joint Management Committee considered the situation of the staff and recommended that the office staff be included in the *Public Service Group Insurance Benefit Plan Act*, within the confidential exclusion group, and adhere to the parameters of that group. The Joint Management Committee, which is established under the *Public Service Group Insurance Benefit Plan Act*, supports this amendment. The committee includes representatives from the Public Service Commission, bargaining units, managerial employees and confidential employees.

**Mr. Mitchell:** We will obviously support this. These amendments to the *Ombudsman Act* and the *Public Service Group Insurance Benefit Plan Act* are, as the minister has pointed out, to correct an anomaly where the staff of the Office of the Ombudsman was not covered, as are all government employees, because they weren't considered government employees. The Ombudsman recommended that this be addressed. He addressed any possible concerns that it might affect the independence of the Office of the Ombudsman. We don't have any

such concerns. This came through the Members' Services Board where it was unanimously agreed that we support this. I won't say that this is housekeeping, because I think it is important that these people have the coverage. They do important work. But we think it's something that is very straightforward and should go through without any great discussion.

**Mr. Cardiff:** Well, I would concur with the Leader of the Official Opposition. This was discussed at the Members' Services Board and I think it is good that the benefits will be extended to the Office of the Ombudsman employees. I always believe that if we can do something to make the lives of our employees better, we should do it. We will be supporting the bill.

**Speaker:** If the member speaks, he will close debate. Does any other member wish to be heard?

**Hon. Mr. Hart:** I thank the members opposite for their support of these important amendments. One of the main reasons for it is to assist the office in maintaining its employees. The employees were provided additional remuneration in lieu of benefits. They have agreed to waive that remuneration in lieu of the benefits to come, so there are no real additional costs to government.

*Motion for second reading of Bill No. 32 agreed to*

#### Bill No. 33: Second Reading

**Clerk:** Second reading, Bill No. 33, standing in the name of the Hon. Mr. Fentie.

**Hon. Mr. Fentie:** I move that Bill No. 33, entitled *Act to Amend the Waters Act*, be now read a second time.

**Speaker:** It has been moved by the Premier that Bill No. 33, entitled *Act to Amend the Waters Act*, be now read a second time.

**Hon. Mr. Fentie:** I rise today to address a small but positive amendment to the *Waters Act*. For an act that sets out Yukon's care and control for the public water bodies and water ways, I take great care in introducing any changes to this legislation, because the government's side is very keen on making sure that we follow the law on all matters.

That being said, I am also a firm believer that part of providing good government is to make practical changes where it makes good sense. This change is exactly that: a practical change that makes sense.

As the members may know, the *Waters Act* currently requires that public notices for applications and hearings be published in the *Yukon Gazette*. It can cause delays because the *Yukon Gazette* publishes only once a month. In addition, the *Yukon Gazette* has a limited reach to people in our communities compared to newspapers in the territory. In this electronic day and age, the Water Board has moved to publish notices in the newspapers and on its Web site in addition to the gazetting requirement. We see this continuing. It is a practical and timely way for people to get water licence information.

With this amendment, I am proposing to remove the requirement to post notices in the *Yukon Gazette* and formalizing

the publishing of notices in local papers or some other way if there isn't a local paper in an area. If you live in Haines Junction, Ross River, Mayo, Whitehorse or any other Yukon community, you will still know what is proposed for the lakes and rivers and waterways that surround your community.

I look forward to unanimous support for this small but very practical amendment.

Thank you.

**Mr. Elias:** We have no problems with this amendment. It seems to be more of a housekeeping matter, and it is very evident by the suggested amendments that a broader audience will be able to be informed about water licence applications and information.

Thank you very much. We will be supporting this.

**Mr. Cardiff:** We, too, view this as largely a housekeeping matter. When it comes to notifying the public about water licence applications and changes to those water licences, anything that can improve the communication with members of the public and people in communities is a step in the right direction. We will be supporting this.

**Speaker:** If the member now speaks, he will close debate. Does any other member wish to be heard?

**Hon. Mr. Fentie:** I accept the support from the members opposite as intended. The government side clearly appreciates that they recognize the value of such a small but practical amendment in the Yukon's *Water Act*. It not only contributes to the public being able to become more involved because they're informed, it also allows for proponents to apply for access to a water body or a waterway in a more timely process so that they can get their decision in a manner that may be more economical and practical. It will help Yukon to become even more attractive for investment as we forge ahead with good, solid, responsible development for our territory. It pleases the government side to see that the Official Opposition recognizes that we do follow the law and we bring forward amendments to the legislation. There has been some serious discussion here today, and I think it's fair to say the government side will take a close review of what the Leader of the Official Opposition has said here this afternoon and decide on what options are available to the government.

*Motion for second reading of Bill No. 33 agreed to*

### Bill No. 34: Second Reading

**Clerk:** Second reading, Bill No. 34, standing in the name of the Hon. Mr. Kenyon.

**Hon. Mr. Kenyon:** Mr. Speaker, I move that Bill No. 34, entitled *Act to Amend the Liquor Act*, be now read a second time.

**Speaker:** It has been moved by the minister responsible for Yukon Liquor Corporation that Bill No. 34, entitled *Act to Amend the Liquor Act*, be now read a second time.

**Hon. Mr. Kenyon:** The Government of Yukon is committed to supporting small business and improving our

economy. A request from entrepreneurs for licences to manufacture farm-based wines and spirits was received by the Yukon Liquor Corporation, and this government is responding.

The Yukon Liquor Corporation is bringing forward an amendment to the *Liquor Act*. The amendment will enable wines and spirits, including liqueurs, to be manufactured in the Yukon.

It demonstrates that this government is committed to promoting small business, is actively working to provide new opportunities for entrepreneurs and more jobs for Yukoners, and is responsive to the needs of small business and small business owners in the Yukon.

The public voice has identified the need and support for this amendment. Small business owners asked for this amendment, and government is supporting this initiative in response to that request and in response to feedback received during public consultation. The government promised to promote small business trade and investment. These amendments simply help the government to achieve that objective.

**Mr. Fairclough:** We feel this amendment to the *Liquor Act* is basically housekeeping. It is not a major amendment to the act. We in the Official Opposition will be supporting this amendment. We have absolutely no problem with that at all.

What we would like to ask government to do is the hard work that they said they would do when they first got elected and during the elections the second time around. That is to do the amendments to the *Liquor Act*. The public consultation was already done and many of the recommendations are sitting in front of the minister. Today we could have been debating all the public consultations that took place regarding the amendments to the *Liquor Act*. We could be doing that here today. I'm hoping that perhaps the minister could take that hard work and bring those major amendments to the *Liquor Act* into the fall sitting and have a good debate then.

I don't know whether we are running out of time here or not, for the members opposite. But we want to be able to debate major amendments to the *Liquor Act*. I know the members opposite reacted very quickly to a local business here. I think the business we are talking about -- Yukon Brewing Company -- was surprised at how quickly government could come forward with amendments to the *Liquor Act*.

The government's plan was to address the issue of alcohol and drugs in the territory. A lot of the discussion that took place regarding the *Liquor Act* review was mentioned by communities across the territory. They are concerned and want government to take some action.

Did anything happen over the five years that this government was in power in regard --

### Speaker's statement

**Speaker:** Order please. Sit down.

We are discussing here today one amendment to the *Liquor Act*. It is not a venue for wide-ranging discussions. We are discussing this one amendment and would the honourable member please stick to that, thank you. I have allowed the honourable member to stray somewhat, but I ask you again to please focus on the amendment.



**Mr. Fairclough:** Okay, Mr. Speaker. I am trying to.

A concern that we have in here is that there isn't more coming out. We support it. I said that.

Part of the problem -- I'm not sure, Mr. Speaker, if this is moving away from how things are generally done here in this House, because once you bring an amendment to any bill, then a discussion on all of the act could take place in general debate. When we go into lines then --

#### **Speaker's statement**

**Speaker:** Order please. You are perfectly welcome to do that in general debate. Here you are speaking specifically, and I would ask the member to take that into consideration, please.

**Mr. Fairclough:** Thank you, Mr. Speaker. I hope that the minister takes into account the little I have said to this point. Perhaps we can go into general debate. I do have a couple of questions once we get into lines, just for clarification for the minister.

Normally when we bring any amendments to this House -- even though this is housekeeping, it is major -- we do have briefings done by the departments, even if it is for a simple explanation of only a couple of line items being amended in this act. Hopefully that is a heads-up if we are ever faced in this House with any major amendments to any bill. That direction hopefully is heard by the government side.

**Mr. Cardiff:** We do view this as housekeeping, but it falls short of what is possible that we could be dealing with today when it comes to amendments to the *Liquor Act*.

I guess some of the questions I would have -- the minister in his opening comments talked about consultations that were carried out to bring this amendment to the *Liquor Act* forward, and I don't recall any notices of public consultations and where those consultations took place.

I seem to recall that there were public consultations held a number of years ago on changes to the *Liquor Act* and there were a number of recommendations that came forward.

The minister also said something to the effect that the public requested this and that the Yukon Liquor Corporation heard the public's voice. It's kind of interesting because when we were in the Liquor Corporation briefing this morning, we asked questions about changes to the *Liquor Act* and we were told that it was a matter of policy, that it wasn't a matter of administration, and if we wanted a question answered on a matter of policy, we would have to ask that question of the politicians here in the Legislature. For the minister to say the Liquor Corporation is bringing this forward -- this is a policy decision on the part of the government. This isn't a decision that is being made administratively by the Liquor Corporation. This is a policy decision that was made by this government.

There are a lot of other policy decisions that this government could have made surrounding changes to the *Liquor Act* -- things like how to improve the situation in all of Yukon and make changes to address the fact that there is a lot of bootlegging happening.

#### **Speaker's statement**

**Speaker:** Order please. Sit down. I will remind the honourable member of the same discussion I had with the Member for Mayo-Tatchun. We are talking specifics here, please. I have given the honourable members some leeway but please discuss the specifics of this particular bill. Thank you.

**Mr. Cardiff:** Well, the specific bill that we are talking about falls short. There are a lot of other amendments that could have been brought forward. This government has failed to recognize that. They failed to recognize the public's input and the recommendations that have come forward.

To show up in this Legislature with this act to amend the *Liquor Act* and allow for spirits and liqueurs to be manufactured -- I don't dispute the fact that this is friendly to small business. It is good for employment, but it also can have a downside. The problem is that this government is not recognizing this at this point in time. I'd be interested in where the public voice was that bent the minister's ear on the need for this change and why the minister chose to ignore the public's voice on the need for other much needed changes to the *Liquor Act*.

Given the latitude that's allowed to discuss this, I look forward to debating this further with the minister when we get into general debate in Committee of the Whole.

**Speaker:** If the honourable member speaks he will now close debate. Does any other member wish to be heard?

**Hon. Mr. Kenyon:** It's interesting the reaction that we get from a one-word change. This is an amendment that is friendly to business; it's also very friendly to our agricultural community who are very much involved in this. While we probably -- although I have one person who disagrees, obviously -- that we can grow grapes in the Yukon, the ability to grow berries, cranberries, blueberries and all the various other types of berries opens up a whole possibility of cottage industry -- wineries. Marvellous fruit wines are made in Vermont, Maine. In my own stock I have two from Newfoundland and one from the State of Alaska -- marvellous wines that will allow a small cottage industry. There are very good impacts on and possibilities for the tourism industry. Within those various berry possibilities are the raspberry or blueberry liqueurs. Coolers not now possible to produce in the Yukon would become available. There is the possibility to distill.

It was very unnerving when we were in the process of developing and ordering in a very nice ceramic bottle in the shape of the Yukon Territory with an imprinted gold pattern and the little gold pan -- it's something that would be of interest to a lot of our tourists and a lot of our people would be able to send these things out as gifts -- and then you turned it over on the back and it said "Product of Alberta". Personally, I found that rather unnerving.

Once you get into distilling you can get into a wide range of other things. For instance, vodka, which is primarily made from potatoes -- the agriculture branch has identified potatoes as one of the potentially best products for our agricultural industry and we don't get into it really because we have no stor-

age facilities. So this may open up a whole new area for our agriculture branch on that and there is a wide range of things that will utilize this.

For the members opposite, the thing that was brought forward to us on this was the fact that the current *Liquor Act* has the word "brewers" licence. Since the word "brew" is not defined in the act, we must go back to the common definition where you "brew" beer. You cannot brew wine; you cannot brew a liqueur; you cannot brew a cooler. So that one change is necessary to do this amendment and it allows the use of the words "manufacturing licence", which allows this whole range. It does not increase consumption; it does not increase availability; it does not do anything except help the tourism industry help the agricultural industry help several local businesses. It allows the development of a coffee liqueur. How many people put a little Starbucks or a little Baileys in coffee in the evening? Why not put something from our own coffee roasters in it that is a product of the Yukon? So there is a wide range of things on this that could be done and it goes back to that one word: from "brew" to "distill".

In terms of the overall *Liquor Act*, since the members opposite opened the door, the --

#### Speaker's statement

**Speaker:** Order please. The door was opened very slightly for the members of the opposition and I would ask the honourable member to respect that.

**Hon. Mr. Kenyon:** I understand that, Mr. Speaker, and I merely want to make the one small comment, so I will only slip the one comment through that slightly opened door, with your kind permission.

Of the 49 recommendations that were made on the *Liquor Act*, this brings us up to 29 that have been done strictly in regulation. The rationale -- and the reason I get into this is this amendment -- deals with one of the somewhat urgent decision things for businesses to be made within that act.

There are a number of other things for the other act. For the members opposite, no one has ever said that we wouldn't go there.

*Motion for second reading of Bill No. 34 agreed to*

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

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

*Motion agreed to*

*Speaker leaves the Chair*

#### COMMITTEE OF THE WHOLE

**Chair:** Committee of the Whole will now come to order. The matter before the Committee is Bill No. 6, *First Appropriation Act, 2007-08*, general debate. Do the members wish to take a brief recess?

**Some Hon. Members:** Agreed.

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

*Recess*

**Chair:** Order please.

#### Chair's ruling

**Chair:** Before we begin, the Chair will rule on a point of order that arose last time we were in Committee of the Whole.

During the Committee proceedings on May 1, Mr. McRobb said that the Official Opposition was not prepared to take Hon. Mr. Fentie's word when it came to budget breakdowns. Mr. Cathers then rose on a point of order arguing that this was in violation of Standing Order 19(g). In fact, if there was a point of order it would have been under Standing Order 19(h), accusing another member of uttering a deliberate falsehood. After careful consideration the Chair has concluded that there was no such accusation; therefore, there is no point of order.

The Chair would also like to bring members' attention to some other matters regarding events that occurred on May 1.

First, at one point during the debate, Mr. Mitchell referred to Mr. Fentie by name. While the Chair may do that in Committee of the Whole, others may not.

Second, some members used words like "misogynist" and "despicable" to characterize other members or comments made by other members. Other members resorted to sarcasm when talking about other members. This violates Standing Order 19(i) because it is abusive or insulting and is likely to cause disorder. And it did lead to disorder.

Third, the Chair will remind members of the Standing Order 42(2), which says, "Speeches in Committee of the Whole shall be strictly relevant to the item or clause under consideration." The item under consideration was Bill No. 6. Nonetheless, members on both sides of the floor referred -- sometimes at length -- to issues beyond the scope of Bill No. 6. It is evident from that day's events that debate will be more orderly if members confine themselves to comments on the bill before the Committee and refrain from referring to other matters.

Fourth, it is not in order for members to question statements and rulings by the Chair, or to question the impartiality of the Chair. There are processes available to members should they wish to appeal a ruling of the Chair, or move a motion of non-confidence in the Chair. However, it is not in order for members to merely interject such comments into debate.

Finally, the Chair would remind all members that the primary responsibility for maintaining decorum and an appropriate respectful tone in debate rests foremost with you. You are privileged, on behalf of your constituents, to debate and make decisions on the government's budget for the 2007-08 fiscal year. If members wish to avoid interventions by the Chair they should focus on the business before the Committee, avoid personal and insulting language and address one another as respectfully as they wish to be addressed themselves.

We will now continue with Bill No. 6, *First Appropriation Act, 2007-08*, in general debate.

**Bill No. 6 -- First Appropriation Act, 2007-08 -- continued**

**Department of Economic Development**

**Chair:** We will now continue with general debate on Vote 7.

**INTRODUCTION OF VISITORS**

**Mr. Elias:** I ask that all members join me today in welcoming educator Pat Joe, who teaches the grades 6 to 9 classes at the Chief Zzeh Gittlit School in Old Crow. Ms. Joe and her students have travelled down to participate in the ninth annual Historica Fair here in our capital city.

Mr. Chair, I would like to introduce each of the students here today. May I introduce Briana Tetlich, Kristen Frost, Liannah Tizya and Sheila Kikavichick.

I would like to congratulate these students on their wonderful displays and projects which exemplify their Vuntut Gwitchin culture, history and heritage. Thank you. Welcome.

*Applause*

**Mr. McRobb:** Before proceeding to continuation of the debate on the general mains budget --

**Chair:** I'm sorry. I stated earlier that we were going to start debate on Vote 7, Economic Development.

**Some Hon. Member:** Point of order.

**Point of order**

**Chair:** Member for Kluane, on a point of order.

**Mr. McRobb:** On a point of order, Mr. Chair, I am just seeking some clarification about your intention here this afternoon. Let me just get it straight. General debate on the main budget has not concluded yet. Are you suggesting we advance the discussion at this time to debate a particular department in that budget? Can you clarify that for us?

**Chair:** Standing Order 12(2) states, "When government business has precedence, that business may be called in such sequence as the government chooses." The Chair was informed by the government that they wish to proceed with Vote 7, general debate on Economic Development.

**Mr. McRobb:** On the point of order, Mr. Chair, would you allow me a moment to explain, because this is highly unconventional.

**Chair:** Order please.

**Mr. McRobb:** On the point of order, Mr. Chair.

I will try to give you the reference number from the Standing Orders of the Assembly. I might have some difficulty in doing that, but I think it is very important to establish here that House leaders were not advised by the government that this would be the order of call. We were advised that we would be resuming general debate on this budget. Consequently, we were ambushed by surprise at this order of business, so we would request a 10-minute break in order to try to meet this switch-up by the government at the last second.

**Chair's ruling**

**Chair:** There is no point of order, but the member has requested a recess. Do members agree?

**All Hon. Members:** Agreed.

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

*Recess*

**Chair:** I now call Committee of the Whole to order. The matter before the Committee is Bill No. 6, *First Appropriation Act, 2007-08*, Vote 7, Economic Development.

We will begin with general debate.

**Hon. Mr. Kenyon:** It gives me great pleasure today to present to the House the 2007-08 budget for the Department of Economic Development.

First, I'd like to say that it's a great pleasure to lead the department, once our government resurrected it, so to speak, after the previous Liberal government. We continue on a path-way to long-term sustainable economic development. The capital budget for 2007-08 is \$6,500,000 and the operation and maintenance budget for 2007-08 is \$1,369,000.

I'd like to remind members of the House of the role that is played by the Department of Economic Development.

First, the department encourages the diversified development of wealth-generating primary industries that will capitalize on the strengths of economic infrastructure, policies and regulations. Second, Economic Development facilitates the growth of secondary and tertiary industries that derive from and support primary industries. Finally, the department further champions economic infrastructure, policy and regulations that support opportunities and are flexible enough to respond to changing circumstances.

Economic Development is mandated to develop a sustainable and competitive Yukon economy to enrich the quality of life for all Yukoners, to pursue economic initiatives with a shared vision of prosperity, partnerships and innovation, and to forge partnerships with First Nations in the economic development of the territory. This is a substantial mandate, needless to say, and it requires steadfast leadership, corporate planning and economic research.

Economic Development does not work alone to achieve its mandate. Through the promotion of Yukon's strategic and competitive advantages, we are assisting Yukon businesses to export and expand their markets in addition to facilitating the development of new business.

In a fundamental way, Economic Development is cast with being a catalyst for the diversification of our economy. Yukon is at the beginning of a long and promising new era in our economic growth and development. Our projections indicate that Yukon's population will continue to grow and contribute to an ever-expanding labour force. Yukon's future will be met with a skilled labour force, rewarding career opportunities and strong First Nation participation in the domestic and the global economy.

Self-governing First Nations are emerging as key investors in business and joint ventures. With nearly all land claims at or near the point of settlement, and with substantial resources at hand, the First Nations are playing an increasingly important role in the growth of Yukon's economy.

Looking ahead, our government believes that the opportunities in Yukon will be second to none.

Our vision for Yukon's economic growth continues to be growth that leads to overall economic output and increases on a year-to-year basis.

The boom-and-bust swings of the past will be largely mitigated by sound economic planning and investment attraction efforts. It's all about long-range planning, and I am so happy to hear both opposition parties in debate yesterday support and, in fact, demand long-range planning -- such as the rail study and port access study and various things looking at the Pacific gateway and western gateway initiatives.

On the pathway to prosperity, Yukon's skilled and creative citizens are an incredible asset. Our territory is fuelled with vibrant, knowledgeable and ambitious people who are looking to diversify the economy and to raise the profile of Yukon to the outside world. Yukon's economic growth is also being fuelled by an increasing demand for mineral resources, oil and gas. We are seeing tremendous demand for Yukon's resources today. However, Yukon will not be able to fully realize the opportunities this provides without Economic Development's continued efforts to strengthen the Yukon business climate and to attract investment to the territory.

Key economic sectors, as well as emerging industries, must enter a new era of strategic growth in order to achieve lasting prosperity and rewarding opportunities for Yukon.

As we've said before, we have a vision. We are setting the stage for Yukon's sustainable economic development through a variety of initiatives to which I will speak more about later.

All of us who live here understand we have an incredible life and lifestyle in Yukon. In addition to the direct access to nature, its beauty and everything around that, Yukon is also appealing because it offers rewarding career opportunities, safe communities, a healthy, well-educated population and strong First Nation participation in the economy. The levels of knowledge, training and education of Yukoners establish a strong basis for the continued growth of Yukon's economy.

Our territory is full of talented people with terrific ideas and the ambition to pursue them -- a strong and vibrant music and film industry; however, Yukon must recognize the global trends that are facing our economic development present us with a tremendous opportunity to highlight our competitive advantage.

The world is undergoing a shift toward the expanding economies of China and other Asian countries. This shift is accompanied by explosive growth and demand for minerals, oil and gas -- as I mentioned -- and many other resources. The growth of Asian economies is now a key driver in the global economy. Growth in Asia's population and per capita income is also feeding a boom in tourism, particularly in wilderness and cultural activities.

As time goes on, more people and more businesses will look to Yukon. In the broader economic context of Canada, we know that our country's prosperity is linked to our nation's high levels of international trade. Canada has one of the world's most globally integrated economies. Exports account for approximately one-third of Canada's trillion-dollar economy, 85

percent of that destined for the United States. Within Canada and the United States a surge in demand for northern resources is evidenced in the planning for new gas pipelines, oil and gas exploration, renewed interest in mineral resources, major infrastructure projects, and a growing demand for tourism.

As a long-time Yukoner, I understand that our vision for prosperity cannot be undertaken blindly. This government remains committed to being proactive in the development of our economy. Growth planning will be a critical component in Yukon's sustainable economic development efforts. If our Yukon economy is to expand and support the needs of a growing population, then our wealth will need to come from diverse sources, including mines, tourism, film and sound industry, and exports from value-added activities.

Our government's role is to ensure that the enabling factors, such as rail, roads, ports, energy, access to land and regulatory certainty are in place to support sustainable, economic development and stable wealth creation in the territory.

We are facilitating small, medium and large enterprises and access to advisory services and financing.

First Nations are also investing, participating in, and benefiting from development projects in areas such as natural resource development, energy, communications and tourism.

In order to facilitate partnerships, we are focusing in on the creation of innovation clusters -- partnerships among universities, research institutes, governments and industry, which create opportunities for growth and economic development. Though economic growth is often measured in terms of jobs and income, it also means increasing wealth, such as enhancements to education, health, social infrastructure and, of course, protection of our natural environment. Yukon government is just one partner in a collaboration for economic growth, a partner with a specific role to play in the building of our economy.

The government is developing the necessary strategies to ensure that a fair and predictable regulatory regime is in place. This regulatory regime must balance the interests of its economic development stakeholders, support the growth of local businesses, and promote the opportunities to Yukon and external partners. In other words, this government is planning for growth and sustainable economic development. That's our mandate; that's our job.

Not only will economic growth continue here in the Yukon, but this government will continue to ensure economic stakeholder interests and priorities are addressed through the development process. Our next steps as government are to maintain that momentum.

By nature of our geography, Yukon is set to become a key transportation and trade corridor that has potential to include road, rail, pipeline, fibre optic networks, and access to ports.

It is interesting that when I came to the Yukon 18 years ago, I could dial a 1-800 data link to Vancouver and at about 300 baud get into a computer network. Now 98 percent of Yukon households have access to high-speed Internet. That is the highest in North America and it compares with 62 percent in the Province of Ontario.

Yukon also offers strategic access to international markets. Within Canada and the U.S., a surge in demand for resources is

evidenced in the planning of two gas pipelines. Increasingly, global interest is turning toward Yukon as explosive demand for minerals and other resources has propelled commodity prices to historic highs.

Members opposite have sometimes been known to claim that our success is due to world mineral prices. I would again reiterate that the advance in the last couple of years in resource development and resource exploration -- Yukon is 10 times the national average, 10 times better than other jurisdictions that enjoy the same world mineral prices. So it's not world mineral prices, although they are certainly a factor.

Yukon is blessed with defined deposits of high-quality gold, copper, lead, world-scale deposits of tungsten, silver, zinc and iron. Demonstrating the demand for Yukon resources, mineral exploration and development expenditures reached an estimated \$132 million last year and it will be substantially higher this year.

This is a tangible illustration of the growing confidence companies have in doing business in the Yukon. As many of you know, the Yukon government has also continued to advance the Alaska-Canada rail link feasibility study. The completed study will give us a sound, fact-based means to determine how to proceed with such a far-reaching project. The study will provide an opportunity to examine the long-term multi-modal transportation development and potential of the Yukon and Alaska, but we're not building a railroad that would simply run between Yukon and Alaska -- we're running a railroad that would run from Alaska to Halifax and to Chicago and points south. It becomes a major transportation corridor and a major economic driver in this territory.

In examining a range of routing options and phase development scenarios, the study provides a foundation of information to guide the infrastructure development necessary to fully realize Yukon's natural resource potential. Certainly the rail would also allow us to further protect our environment as rail transportation is extremely friendly to the environment when compared to trucks. Something I remember Parliament in Ottawa has put on the table many times is that this is a major consideration, and we agree.

The extensive data research and analysis of the study will help inform government decision-making and provide the private sector with valuable economic models for further development of mineral properties. In lockstep with the rail link study is a port access strategy study. What this does is allow the private sector, governments and all people to make decisions with data and not simply guess, throw something out and hope it sticks. We need to deal with that data and that's what these studies provide.

In the Yukon the key issue is not just getting our resources to tidewater, but providing industry the certainty that economic infrastructure for our industry will ensure competitive production costs. The Yukon port access strategy study will provide objective and quantified information to enable public and private investors to take that serious look at developing port facilities and related transportation links.

It provides more data for that decision-making. The port access strategy study was done in cooperation with the State of

Alaska and was directed by two bilateral committees that involved industry, government, the City of Skagway and the Borough of Haines.

The rail access study was also done in conjunction with Alaska and Yukon, and also included the U.S. government, the Canadian government and the Province of British Columbia.

Both the port access study and the Alaska-Canada rail link feasibility study were in actuality prepared jointly by the governments of Yukon and Alaska. Together these significant studies are a big part of the development of a new north Pacific Rim trade corridor.

The transportation infrastructure development in the Yukon is linked to the increasing demand for natural resources in Asian markets and the growing number of new mines being developed in the Yukon. Yukon is actively working to address these transportation issues to ensure the private sector is able to fully realize its potential in the Yukon.

This budget highlights just some of the many activities of the department and I'd like to speak more specifically about a few of them. I'm sure many of these will come up in general debate and in line-by-line debate. It is important to note that our spending in the Department of Economic Development is really an investment. It is an investment in Yukon's future and its future economic prosperity. Again, I give full marks to the opposition parties for yesterday in the debate recognizing that this long-term study and long-term information is so essential to decision-making.

We believe that a key way to ensure stable economic development in the Yukon is to encourage the development of primary and value-added industries -- businesses that capture external dollars. This competition to attract foreign direct investment has become highly complex in this global marketplace. A focused, strategic approach is required. We have to keep our eye on that target and keep moving in a very metered way.

Other jurisdictions that we compete with -- such as Alberta, State of Washington and others -- actually maintain offices with staff in capital cities such as Beijing and Seoul in order to promote their jurisdictions. In our small jurisdiction we have to approach that problem a little bit differently. We've developed an investment attraction strategy with an action plan that will enable the Yukon to leverage and capitalize on emerging investment attraction in Asia and elsewhere. We have also had some discussions with the Kingdom of the Netherlands on this as an example of working with us for shipping options.

New investment capital is critical to growth by enabling businesses to expand operations, pursue new opportunities and explore potential. The ongoing injection of investment funds into business, industry and capital projects is a key component of long-term sustainable economic growth, so a lot of this is really working with the marketing opportunities outside.

There is so much that I could continue to talk about on the Department of Economic Development -- for instance, the diversification aspect, which is a key goal of the Department of Economic Development. We have continued to invest in the Yukon Film and Sound Commission and this budget is investing \$756,000 in the commission.

Yukon has an incredible array of talented artists who are encouraged by the support of this government. We will continue to support their imagination, their hard work and their creation of exceptional Yukon cultural products.

The last time I saw statistics on the cultural side of the Yukon, we were, again, almost in an order of magnitude over and above most Canadian jurisdictions in our support of cultural activities. We are very, very proud of that.

The film industry in the Yukon continues to be strong, providing Yukoners with employment and training opportunities. In the past year, there were 21 projects approved for funding under the film incentive programs. These projects will generate an estimated \$2.6 million in economic activity in the Yukon.

In closing, I would like to point out that this budget represents the continued hard work of the staff of Economic Development to support Yukon's long-term economic prosperity.

The business people of Yukon deserve specific recognition for their dedication to a strong Yukon economy. Together we are building an economy of primary and value-added industries that will capture external dollars and capitalize on the strengths of our geography and our people.

This economy is increasingly sustainable, diverse, and flexible enough to mitigate boom-and-bust swings and thus provide sustainable economic development for all Yukon.

Thank you, Mr. Chair.

**Some Hon. Member:** Point of order.

#### Quorum count

**Chair:** Mr. McRobb, on a point of order.

**Mr. McRobb:** Mr. Chair, on a point of order, pursuant to Standing Order 3(3), I don't believe there is a quorum in this Assembly.

**Chair:** We do have a quorum.

**Some Hon. Member:** Point of order.

**Chair:** Mr. McRobb, on a point of order.

#### Quorum count

**Mr. McRobb:** On a point of order, Mr. Chair, I have just taken a count and I don't see a quorum.

**Chair:** Order please. Standing Order 3(3) states that eight members, including the Chair, shall be considered a quorum. We do not have quorum so we shall ring the bells.

#### *Bells*

**Chair:** Four minutes have elapsed and the Chair will now do a count.

There is no quorum, so we will call the Speaker to the Chair.

#### *Speaker resumes the Chair*

**Speaker:** I will now call the House to order.  
Chair of Committee of the Whole.

**Mr. Nordick:** Mr. Speaker, pursuant to Standing Order 3(4), it is my duty to report to you that there is not a quorum in Committee of the Whole.

**Speaker:** Order please. According to Standing Order 3(4), if the Chair of Committee of the Whole reports to the Speaker that there is not a quorum in Committee of the Whole, the Speaker shall repeat the quorum procedure. Accordingly, I shall ring the bells for four minutes and then do a count.

#### *Bells*

**Speaker:** I have shut off the bells and will do a count.

There are seven members present. A quorum is not present. Accordingly, this House, pursuant to Standing Order 3(4), stands adjourned until 1:00 p.m. Monday.

#### *The House adjourned at 3:14 p.m.*

#### **The following Sessional Paper was tabled May 3, 2007:**

07-1-23

Travel Expenses of Members of the Yukon Legislative Assembly 2006-07, Report on (dated April 2007) (Speaker Staffen)

#### **The following document was filed May 3, 2007:**

07-1-15

Yukon Lottery Commission 2005-06 Annual Report (Kenyon)