

Whitehorse, Yukon**Monday, May 7, 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 North American Occupational Safety and Health Week**

Hon. Mr. Cathers: I rise today on behalf of this Assembly to recognize North American Occupational Safety and Health Week, and to recognize 2007 as the Year of Accountability for Workplace Safety in the Yukon.

North American Occupational Safety and Health Week is a continent-wide event spanning three countries: Canada, United States and Mexico. The goal of this week, from May 6 to 12, is to focus the attention of employers, workers, the public and all partners in occupational health and safety on the importance of preventing injury and illness in the workplace, at home and in the community. We were reminded quite clearly at this year's Day of Mourning ceremony of the incredible toll that injuries and fatalities are taking on individual Yukoners, our families, our community and our economy.

The theme for this year's week is, "Start today!". It challenges us to take urgently needed action to improve our processes, programs and performance in health and safety areas. Your life and that of your family and friends may depend on it. Now is the time to review safe work practices to ensure we have the right tools for the job and are doing our jobs in the safest way possible. It's about improving openness, dialogue and positive attitudes so safety is always top priority, instead of something we take for granted until a tragedy happens.

2006 was a tragic year. Five Yukoners died from injuries or illness in the workplace. This week is the right time to consider the safety of young workers, many of whom will be starting summer jobs. Young workers are six times more likely to be injured in the workplace, often during the first weeks on the job. For all of us, let's make National Occupational Safety and Health Week, from May 6 to 12, a time to focus on preventing injuries in the workplace.

In recognition of National Emergency Preparedness Week

Hon. Mr. Hart: It gives me great pleasure to rise on behalf of the House today to pay tribute to all Yukon emergency responders in recognition of National Emergency Preparedness Week. Each year, the first week of May is devoted to profiling the importance of all Canadians to becoming better prepared for emergency situations that may occur at any time.

Most Yukoners are aware of the potential large-scale threats that we must be prepared for such as forest fires, flood-

ing, extended winter power failures, the possibility of earthquakes, landslides, avalanches and, on the horizon, the potential for pandemics and similar crisis situations.

Throughout the year, Yukon protective services branch and our local governments work together to ensure that the response agencies are trained and equipped to respond to these threats. They also promote developing emergency plans for families and businesses in order for everyone to be better prepared for disasters whenever they may happen.

Again this year, the emergency planning guide of the Emergency Preparedness Canada will be mailed to all Yukon residents to encourage families to make the plans that will help them to keep their family members safe during crisis situations. While these large-scale emergencies are very important to plan for, we must also plan for smaller, potential emergencies that may also have lasting impacts on our communities, our families and ourselves.

For a family a house fire is no less an emergency than an earthquake. Unfortunately, house fires occur much more frequently, with results that can be devastating for the family. Motor vehicle accidents are also emergencies that occur far too often. They impact family and our communities in a very dramatic way. Each year Yukoners, or some of our visitors, become lost or overdue while on wilderness trips. Others may suffer from medical situations while away from home and find themselves in peril. Thankfully, there are compassionate and community-minded emergency responders ready to attend these crisis situations when they occur. As was noted in our tributes during Volunteer Week, many of the Yukon emergency responders are volunteers -- community citizens who devote their personal time to take the training to perform the responder roles for which they had been selected. They devote a great deal of time in preparing and developing their response skills so they are proficient and efficient while at the same time keeping themselves safe for when they are responding to an emergency situation.

I have two primary messages that I would like to share with you today. First for families and businesses, please develop emergency plans so that you know what to do when crisis situations occur. Yukon Emergency Measures Organization has all the information available for you to create these very important emergency plans. They also have other safety information on preparing for specific threats, such as flooding, power failures, forest fires and more.

My second message is to encourage all Yukoners to take a moment during Emergency Preparedness Week to thank the many women and men who devote themselves to keeping our communities and ourselves safe from harm. They are the firefighters who fight forest fires or building fires. They are the ambulance attendants who are at the ready 24/7, 365 days a year. They are the community volunteer search and rescue members who drop what they are doing to help search for people who are missing. They are also the RCMP members or municipal governments, the Red Cross and the Salvation Army. They are our friends, our neighbours, our family members. They are emergency responders in our community who come to our aid when we need them.

The Yukon is blessed to have the calibre of emergency responders that we have. On behalf of the Government of Yukon, I want to thank them all for their dedication to keeping us safe from harm.

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

NOTICES OF MOTION FOR THE PRODUCTION OF PAPERS

Mr. Cardiff: I give notice of the following motion:
THAT this House do issue an order for the return of

(1) all reports, position papers and recommendations developed as part of the education reform process that are in the possession of the Government of Yukon; and

(2) all correspondence from the minister to members of the education reform project team from the inception of the education reform process.

NOTICES OF MOTION

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

THAT this House urges the Minister of Community Services to work with the City of Whitehorse and homeowners in Takhini North who are facing an exceptional cost burden to upgrade municipal water infrastructure on their properties and to identify ways in which the Government of Yukon can assist in reducing this unanticipated cost.

Speaker: Are there any further notices of motion?
Is there a statement by a minister?
This then brings us to Question Period.

QUESTION PERIOD

Question re: Environment report

Mr. Elias: I have a question for the Minister of Environment.

Mr. Speaker, there are countless numbers of reports generated each year by this government. Just last week I was given two very professional-looking reports from the tourism department. I thank the Minister of Tourism and Culture for those.

In last Thursday's *Whitehorse Star*, the Minister of Environment, when asked the question about the Yukon's state of the environment report and the *Environment Act*, was quoted as saying, "I don't know about the clause in the act, frankly."

When it comes to our Yukon environment, "I don't know" is not good enough. We have a Minister of Environment who doesn't even know the very legislation that is central to his own department. Mr. Speaker, there is an old saying, "Ignorance of the law is no excuse", especially for a minister.

Will the minister, without any further delay, do the right thing, order the report and table it as required by the *Environment Act*?

Hon. Mr. Fentie: Well the first thing the government's side will not do, Mr. Speaker, is take, at face value, representations from the members opposite. We will do our due diligence as always.

Second, the government's side will only table and make public reports that are indeed complete and correct. In the case of the environment report, the completion is not done. I have explained to the member opposite also, last week, that in many instances it takes up to 24 months to receive information from Canada that is very much part of the content of the environment report.

It is interesting to note that the Official Opposition -- to understand and know the state of Yukon's environment -- requires a report. I think that is a demonstration, Mr. Speaker, of how disconnected the Official Opposition is when it comes to the Yukon and what is happening in the territory.

Mr. Elias: Last week when I asked the minister when his department intended to comply with the *Environment Act* and table the Yukon state of the environment report, shockingly the minister said, "As far as tabling the report, when there is a report available and ready, that possibly could happen here in the House."

Mr. Speaker, the arrogance of this government -- Yukoners deserve to have this report prepared expeditiously. The environmental trend analysis is important, and we can't afford to have a five-year gap in our environmental trend analysis. "Possibly," the minister said.

In other words, "If I feel like it, I just might do that."

We do not teach our children to be disrespectful of the law, and we sure expect the highest standards from our government.

Will the minister unequivocally assure this House that he will instruct his officials to prepare the report and table it without delay?

Hon. Mr. Fentie: The officials are as well aware as the government of its obligations under any law, and the government certainly makes sure it does not contravene the law. When the report is ready, it will be made public. Whether it can happen in this sitting or not, that's up to the time it will take to gather all the data necessary, do the due diligence on the data and make sure the information we put into the public domain is factual.

It's an example the Official Opposition should start to live up to.

Mr. Elias: I find it astonishing that I have to make requests in this Legislature for long-overdue reports that are required by law. All we are trying to do is hold the minister to account for very serious things, like not adhering to his own legislation, and the minister simply doesn't like it.

The Premier says he likes factual information, so here are some facts for the Premier. One, the *Environment Act* under section 48 is not being followed; two, Herschel Island is falling into the sea and our precious heritage along with it. The Yukon has a spruce bark beetle infestation. There's metal contamination from mines in our environment. The Porcupine caribou

herd is vulnerable, and we're living in a rapidly changing environment.

The minister had five years to ensure the state of the environment report was free of erroneous information and correct. Yukoners and First Nations alike deserve to be fully informed so they can be the judge as to whether their environment is in good hands.

I have a question for the Premier. Will the Premier conduct a shuffle of the Environment minister and pick a replacement, someone who actually cares and is knowledgeable about the environment?

Hon. Mr. Fentie: Well, the first thing that the member opposite should do is exercise a little patience. What the member has just stated here on the floor of the House are all the issues that the government has long been aware of. That is why we saved the Yukon Wildlife Preserve. It is why we are investing in modernizing our database. That is why the government, long before discussion on climate change took place at the national level through the Council of the Federation, came forward with a climate change strategy. That is why the government is working on the strategic action plan to implement that strategy. That is why the government is investing in a plan for the Porcupine caribou herd. That is why this government, under its watch, brought the Yukon land base under protection, which is an area of great importance to Yukoners. This makes this territory second to none, except British Columbia, to where 13 percent of our land base is under protection. That is why this government is proceeding with such things as the climate change centre of excellence.

All the reasons the member has stated are things we are well aware of. So are Yukoners; they voted us in on that agenda.

Question re: Environment report

Mr. Inverarity: I have some questions for the Minister of Justice.

Last week, the Minister of Environment stood in this House and said that it was okay and that he did not have to follow the *Environment Act*. He said that it was okay for ministers to not follow the law. This is a very disturbing position for the minister to take. It signals to the public that it's okay to break the law.

It is the Minister of Justice's job to uphold the law of the land. There is no such thing as "benign" legality. As the Premier described it last week, he can just pick and choose. Is the Minister of Justice comfortable with the fact that at least one member of her Cabinet thinks that it's okay not to follow the law?

Some Hon. Member: Point of order.

Point of order

Speaker: On a point of order, Minister of Economic Development.

Hon. Mr. Kenyon: The member opposite is aware of Guideline No. 5, which states that a question may not ask for a legal interpretation of a statute.

Speaker: Member for Kluane, on the point of order.

Mr. McRobb: On the point of order, we didn't ask for a legal interpretation of a statute. We asked for the Minister of Justice's opinion and position on what we see as a clear breach of the laws this government must obey.

Speaker's ruling

Speaker: From the Chair's perspective, there is no point of order. However, the members seem to be taking a certain latitude here -- and that includes all of us -- intimating that other members are breaking the law. I just ask all honourable members to keep that in mind. That's not the purpose of us being here, discussing the people's business -- to make accusations of each other in terms of breaking the law or to be intimating that. If the honourable members would keep that in mind, I'd appreciate it.

Hon. Mr. Fentie: Thank you, Mr. Speaker. I am sure that the Minister of Justice, if there were a case of any member of the government side breaking the law, would act accordingly.

Now, when the Official Opposition makes these kinds of accusations, these accusations are nothing more than their opinion. That doesn't mean that that opinion is correct or even relevant to the issue. The reports are compiled. It takes time to compile the reports, gather all the information. The state of Yukon's environment, by the way, Mr. Speaker, is not based singly on a report. It's based on a lot of work -- and the work done by the Department of Environment -- with the gathering of the information and producing the report being one of those areas of responsibility. If the members can draw the conclusion that a report not being tabled at this very point in time is somehow breaking the law, it's a good thing for Yukoners that the Official Opposition is not in charge of the law.

Mr. Inverarity: I guess we have the big guns out now.

My question was for the Minister of Justice. It's interesting but not enlightening to hear from the Premier on the issue. I think the public already knows what he thinks of the *Environment Act*.

The Premier told the House last week that he did not follow the *Environment Act*. That should be of concern to the Minister of Justice, and the public wants to hear her thoughts on it.

Last week in this House, the top elected official in the Yukon said he didn't have to follow the *Environment Act*. The Minister of Justice has an obligation to make sure that everyone follows the law. No one is above the law, even if they think they are. The Minister of Environment is supposed to produce a state of the environment report; it's mandatory. He has not produced it and he is in violation of section 48 of the act.

What steps is the Minister of Justice going to take to ensure that the law is followed? Or does she have the same opinion as the Premier?

Hon. Mr. Fentie: Once again, the Member for Porter Creek South, as the Official Opposition is prone to do, has made a statement that the government side actually stated that we don't have to follow the law. I challenge that member and the Official Opposition to bring to this House copies of *Han-*

sard and make those quotes available and recite those passages right here on the floor of the House. I challenge him to do that.

Now, let's get down to the facts. No law has been broken. When a report is complete and, in fact, the content of said report is correct and reflects the state of Yukon's environment, it will be made public.

It's a good thing that the members opposite are not in charge. Not only would we have bungling of our laws, we would have a terrible situation when it comes to the Yukon environment.

Mr. Inverarity: Again, my question was to the Minister of Justice. It is disappointing that the Premier has so little confidence in the minister that she is not allowed to answer questions in the Legislature.

The Premier really hit the nail on the head last week with his comments that he did not have to follow the law. It sends a clear message on how arrogant this government has become. It is up to the Minister of Justice to ensure that all of our laws are followed. The Premier, or anyone else for that matter, cannot simply decide that some points of the law are to be followed and others are not.

Again, to the Minister of Justice, what steps does she intend to take to ensure that the *Environment Act* and all the laws are being followed by the Yukon Party government?

Hon. Mr. Fentie: Well, Mr. Speaker, I have a question for the Official Opposition.

First, the government's side does not and will not break the law; nor does it break its commitments to Yukoners. I have here a code of conduct agreement by the members of the Official Opposition. It has such tenets as "All MLAs must conduct all relations with other MLAs, public servants and members of the public with integrity and honesty." The member has just stated once again that in *Hansard* there is a quote that the government does not have to abide by the law. I challenge him to produce that quote, and I ask the Leader of the Official Opposition: does the Leader of the Official Opposition believe that his members are living up to this commitment to Yukoners? Why have they broken this commitment?

Question re: Property infrastructure costs

Mr. Edzerza: Mr. Speaker, I have a question for the Minister of Community Services.

A number of my constituents in Takhini North are facing a huge bill from the City of Whitehorse for infrastructure upgrades on their property. According to the city these upgrades might cost homeowners approximately \$25,000. That is almost five times what they were told to expect when they bought their properties in the 1990s. Has the minister or any of his officials had any discussions with the city about possible ways to reduce the financial burden of these improvements on my constituents?

Hon. Mr. Hart: For the member opposite and his constituents, they live within the City of Whitehorse. The municipality is responsible for the upgrade and maintenance of the facilities for those residents. If the city wants to come to us for some expertise in that particular field, we will be more than able to assist them in that matter. If we get that request, we will meet it.

Mr. Edzerza: I believe my constituents probably have all the expertise they need. The issue here is money.

Apparently the problem lies with the way the waterlines were originally installed. Instead of running from the water main to the individual homes, they run from house to house. This means that repair work is on private property, which adds considerably to the cost. Through no fault of their own, the homeowners are looking at a bill of \$18,600 per home plus another \$6,000 for surface work to road and sidewalks. The bottom line for some of my constituents is that they may have to sell their homes they have waited years to buy.

Is the minister willing to go to bat for these families and help them find a solution that will prevent them from losing their homes?

Hon. Mr. Hart: As I stated earlier, if we get a request from the City of Whitehorse to help out with the assessment of the sewer system that the member has discussed here in the House, then we will.

With regard to funding, that is a municipal responsibility and it is their prerogative how to make the corrections within their rights as a municipality. As I said, if they come to us for some assistance, we would be more than willing to do so.

Mr. Edzerza: I realize this is a municipal issue. I also understand the principles of buyer beware, but this is clearly a case where people are facing a significant hardship to correct a problem that is not of their own making.

There is a precedent. A few years ago this government bought out a homeowner in the Copper Ridge-Logan area because of a flooding problem that couldn't be solved. We're not asking the government to buy out my constituents but to just help them out with these unusual costs they're facing.

Will the minister have his officials look into this with the city and the residents of Takhini North to see if there is some relief that can be offered?

Hon. Mr. Hart: As I stated earlier, if the City of Whitehorse makes a request of us along those lines, we will do so. We can also provide the city with some possible areas of funding they may be able to utilize along with the residents, but as far as this government providing funding for residents within a municipality, that is the municipality's right and their responsibility.

Question re: Education reform

Mr. Cardiff: I have a question for the Minister of Education regarding the education reform process. On December 11, 2006, the minister and the chair of the Chiefs Committee on Education sent a letter of expectation to the co-chairs of the education reform project team. In that letter it was made clear that any public communications regarding the process would be undertaken by the two people who signed the letter. Prior to that, the co-chairs had been able to speak publicly about the education reform process.

Why did the minister see fit to impose this gag order in what is supposed to be a public consultation process?

Hon. Mr. Rouble: When I was re-elected and given the portfolio of Education, education reform was obviously one of the first issues that had to be addressed. I met with the co-chair of the Council of Yukon First Nations Chiefs Committee

on Education and we directed the education reform group to explore the creation of a First Nation school, similar to French immersion schools, and to explore the issue of making curriculum changes to better reflect aboriginal cultures and language. We asked them to consult with Yukoners on how to achieve a higher level of parental involvement. We directed them to consult about language revitalization and retention. We asked them to talk about more land-based experiential education, more rural high school programs. We wanted them to discuss with Yukoners how to make more decisions at the community level. We asked them to find out how more First Nation people could be employed in positions in the Department of Education to reflect the cultural diversity of the Yukon.

We wanted them to explore how to make more First Nation school-based administrators part of the system.

We wanted them to go out and discuss with Yukoners how to make more open lines of communication and meaningful collaboration between schools and First Nations. We asked them to go out and consult with Yukoners on how to develop more preschool Head Start programs, how to include more elders in the schools and how to improve culturally relevant mandatory orientation for teachers.

Mr. Cardiff: I thank the minister for that. I have read the letter. It also talks about the fact that all position papers will be vetted by the executive committee. Last week, the minister tabled a letter dated March 16, which he co-signed with the chair of the Chiefs Committee and the Chief of the Liard First Nation. In that letter, it specifically prohibited the project team from distributing position papers or recommendations they had already developed.

Mr. Speaker, this process is costing the Yukon taxpayers \$1.5 million, yet it is shrouded in the kind of secrecy one would expect in the Pentagon. It makes one wonder exactly what the government doesn't want Yukon people to know.

Why does the minister insist on preventing Yukon people from knowing what possibilities are being considered for the future of education? This is our children's education in the Yukon Territory.

Hon. Mr. Rouble: I am afraid the members opposite are making a practice of picking and choosing from the comments they glean from letters. Also in that letter is a comment, "Territory-wide meaningful consultations are vital to the success of education reform."

The executive committee expects that the project team will draft recommendations after meaningful consultations and will include the thoughts and opinions of all stakeholders and partners in education. This process is about involving Yukoners in the education of their children. It isn't about the government getting together and saying that this is how it's going to be done. It's about working with the community, working with the partners and with the other stakeholders in education to develop solutions to address the issues that we know are out there. We are taking steps to do that. Let's allow the education reform group do their work and come back with their recommendations after they have had a chance to discuss everything with stakeholders and the community.

Mr. Cardiff: I hope the minister isn't suggesting that the consultation that took place prior to these letters wasn't meaningful, because there was a lot of consultation that happened.

Last year I questioned the Minister of Education about three key position papers that were at the heart of the education reform process. Those papers were on administration, language and governance. Between the two letters that I've mentioned today in the Legislature -- the one on December 11 and the one on March 16 -- the minister wrote another letter to the co-chairs saying that the question of governance is off the table. Just as we suspected, the government is not prepared to share power in any meaningful way or honour the spirit of the *Education Act* by treating its partners in education as equal partners. Will the minister now table that letter, as well as the position paper on governance that his government has rejected out of hand?

Hon. Mr. Rouble: Mr. Speaker, if the member opposite has this letter, by all means he should table it. At the heart of the matter, Mr. Speaker, is the whole issue of why education reform exists. This education reform process and the terms of reference for the education reform team are to identify the key issues and goals in education, to outline the barriers to accomplishing those and to recommend strategies as to how to overcome them. Mr. Speaker, this government is committed to building a better education system.

Once we get into budget debate, which hopefully we will be doing in the very near future if members are willing to participate in debate, we will look at things like expanding language training. We'll look at increasing cultural programs. We'll look at how this government is providing support for the Council of Yukon First Nations to have education support workers. Mr. Speaker, we'll get to those when we get to the budget.

I look forward also to the recommendations coming from the education reform team later this fall when they conclude their work, and I look forward to working with our partners in education as to how we will go about implementing those changes.

Question re: Education reform

Mr. Fairclough: I have a question for the Minister of Education to follow up on previous questions. I have asked this minister several times about the position papers and/or the recommendations that the education reform project has developed. I am concerned, as are many Yukoners, that openness and transparency are not happening here. Now the education reform project is now travelling from community to community, handing out a piece of paper of topics that could easily be downloaded from the Internet. We all read the minister's letter that he tabled here. We know there are recommendations and position papers, according to the letter.

We would like to know when the position papers and their recommendations are going to be tabled -- the one that has been identified in the letter?

Hon. Mr. Rouble: The government has committed to reforming education. Earlier in Question Period today, I recited several new initiatives that we are implementing to reform education. We are also working with our partners in education,

specifically with the Council of Yukon First Nations, on the education reform project. When the project concludes and recommendations have been reached with the involvement of Yukoners, stakeholders or other partners in education, we will have those to discuss in this Assembly and for the department to act upon.

Mr. Fairclough: In the letter, it says that the team will not distribute either the papers detailing the position they have already taken, or the subsequent recommendations that they have already developed. We're not asking the minister if they exist, because he has already admitted that. The minister refers to meaningful consultation with all stakeholders. Now let me put this into perspective for him. There was consultation earlier in the process. Position papers have been written. The team is now going back out for more consultation but the public is not being told what the position is that the team has already prepared.

What are we responding to, Mr. Speaker? Put the papers on the table and let the people respond to what has already been done. What kind of message is this? We have formulated positions and we won't tell you what they are, but we want meaningful consultation.

Will the minister stop ducking, table what he has and let the consultation that will follow be, in fact, meaningful?

Hon. Mr. Rouble: Mr. Speaker, the letter reads as follows: "It is also expected that public consultations will provide an opportunity to Yukon residents to bring forward concerns, ideas or recommendations they may have regarding Yukon's education system. The executive committee wishes to hear the candid views of Yukoners. Consequently, the project team will not distribute either the papers detailing the positions they have already taken or subsequent recommendations that they have already developed. The executive committee expects that the project team will draft recommendations after meaningful consultations and will include the thoughts and opinions of all of the stakeholders and partners in education."

Mr. Speaker, this minister feels that it is entirely inappropriate to make decisions, to take a position or to make a recommendation prior to talking the issue over with those affected by it. Once Yukoners have been involved in the process and have reached a conclusion, then we'll have recommendations.

Mr. Fairclough: According to his letter, it is already done. Let's envision for a moment, Mr. Speaker. You go to a meeting in your community and express an opinion on some proposed community project. Some months later you are invited back to a meeting and you are told that the positions have been taken and written on various aspects of the proposal, and you are invited to give meaningful input. You ask if you can see what has been accomplished to date and they say, "No, just talk to us." I wouldn't be surprised, Mr. Speaker, if you told them that you will respond when you have something to respond to. When will the minister give us something to respond to? When will he table the papers?

Hon. Mr. Rouble: Mr. Speaker, the education reform team did go out and have consultation with targeted groups throughout the territory, and they heard perspectives on different issues. Now it's time to include Yukoners in the whole dis-

ussion, to discuss the issues that they have been directed to discuss by the reform executive in order to develop the position with stakeholders.

Mr. Speaker, what we have here is a discussion and a debate about process. What I am saying and trying to convey to the members opposite is that the position will not be taken until after the consultation occurs, that it is inappropriate to take forward a position paper stating a final belief prior to having consultations and meaningful discussions with others. Let's include Yukoners in the process. We need to include Yukoners in the solution. When we do, we'll work together to build a better system.

Question re: Municipal funding

Mr. Mitchell: Mr. Speaker, I have a question for the Minister of Community Services. Earlier this year, the minister announced that the Government of Yukon is reviewing the amount of money that is given to municipal governments. That amount has remained more or less the same over the last several years. At the same time, the amount of money this government has available to spend has increased dramatically, thanks to the Government of Canada. We now receive \$200 million more from Canada than we did just a few years ago. In other words, this government has the resources to spend. When are the Yukon municipalities going to get a larger piece of the pie?

Hon. Mr. Hart: I thank the member opposite for that question. I am pleased to report to the member opposite that we are currently reviewing our funding to our municipalities with the action that he is indicating. We are looking at trying to increase their ability to handle their increase in operation and maintenance costs. Right now, we are doing our due diligence to ensure that it is a fair and open process to all municipalities.

Mr. Mitchell: During the last election campaign, the Association of Yukon Communities sent all three parties a survey that asked: would your party commit to the principle that, as territorial revenue grows, so should municipal grants? The Yukon Party answered yes. As I said earlier, territorial revenue is growing because the Government of Canada continues to increase transfer payments to the Yukon government.

The Yukon Party government has \$85 million in the bank. Now, from what the minister has said, we all know that the contribution to municipalities is going to go up. It's just a question of by how much. Will the minister provide an immediate increase to the municipal funding to communities as a down payment while the review -- and the review of the review -- is being conducted?

Hon. Mr. Hart: I know how much the member opposite likes to get me up here.

As I stated earlier, we are in the process of doing a review. I have indicated that we will have our work completed by this summer. We hope to have something in time for next year's granting of the monies in next year's budget.

Mr. Mitchell: Municipalities need the money now. There is no reason to wait. We all know that the review process is going to conclude that more money should be transferred to municipal governments. So what's wrong with providing a down payment and a show of good faith while we wait for the

final decision? This Yukon Party government has \$85 million in the bank. It can certainly afford to give municipal governments some cash immediately while a larger review is being conducted.

Yukon municipal leaders are gathering in Dawson this weekend. This is an ideal time to start sharing some of the federal dollars that are coming to this government. Will the minister announce an increase in the comprehensive municipal grant this week in Dawson?

Hon. Mr. Hart: As he indicated earlier, municipalities haven't received an increase in their base pay for some years -- through all political parties, I might add. This party has provided the largest increase to municipalities for their grant funding. In essence, I will state for the record here that, since that time, the municipalities have had the ability to get funding from the municipal rural infrastructure fund, the CSIF and the gas tax. We entered into arrangements with the municipalities where they get a good portion of that gas tax and it allows them to get infrastructure in place to assist them in improving their infrastructure -- throughout all municipalities.

We're looking at trying to enhance that opportunity for them and we will do our due diligence to ensure that the plan is out and we can provide an ongoing future for all municipalities for the years to come.

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

ORDERS OF THE DAY

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair: Committee of the Whole will now come to order. The matter before the Committee is Bill No. 6, *First Appropriation Act, 2007-08, Vote 7, Economic Development*. Do members wish to take a brief recess before we begin?

Some Hon. Members: Agreed.

Chair: We will recess for 15 minutes.

Recess

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

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

Department of Economic Development -- continued

Chair: The matter before the Committee is Bill No. 6, *First Appropriation Act, 2007-08, Vote 7, Economic Development*.

Question of privilege

Mr. McRobb: I rise today on a question of privilege. Pursuant to Standing Order 7(2), I would also point out this is the first opportunity to address this matter whereby the government has officially notified the opposition House leaders that it will take unprecedented action this afternoon by deferring general debate.

I want to formally put on the record our objection and state our serious concern with what could be a matter of precedence in this House and a further reduction in the opportunities available to the opposition side of our Assembly to do its job to hold the government's side accountable.

The matter of concern is this Yukon Party's unilateral action to defer the continuing discussion in general debate of its main budget for the current fiscal year. We believe this action is a breach of the parliamentary privilege of all members of this House. It has been the long-standing practice of this House to first conclude general debate to the satisfaction of the opposition parties before proceeding to the review of any particular department.

General debate is important to the opposition side of the Assembly, because it provides the only opportunity to question the government broadly on the matters that pertain to government spending, policies and activities in the context of more than one specific department. It is up to the Finance minister of the day to be available for this debate. That's a critical part of living up to the term of being an accountable government. Many budgets have been debated in this House since its inception decades ago and, in all cases, general debate has concluded before dealing with line departments. It's standard and accepted practice in the Yukon Legislative Assembly.

If there was an exception -- and I emphasize the word, "if," Mr. Chair -- I am sure there existed exceptional circumstances whereby the opposition side of the Assembly accepted and supported such a decision. An example of a circumstance might be the absence of the Finance minister due to illness or the need to attend a meeting deemed to be important to the public interest. In a recent example, we on the opposition side made a public statement that we would defer general debate in order to allow the Finance minister to attend last week's climate change conference back east. The Finance minister declined that invitation.

That is not an open-ended invitation for the Finance minister to defer general debate just because he doesn't want to answer questions in this Assembly. The government side has indicated no such circumstance. It has provided no such evidence or demonstrated any need in the public interest to set aside general debate, and it appears to be for the sole reason of setting a precedent in this House to further reduce the powers available to the Official Opposition to do its job of holding the government side to account in the public's interest. Such needless and self-serving tactics could have long-lasting consequences for not only the current members of this Assembly but all future members as well.

Already the opposition side must contend with far fewer powers than it had only five years ago, and it is not prepared to willingly concede yet another loss of the few tools available to

it in order to do its job. This is a disturbing matter, and it again demonstrates the need to readdress the way in which the Assembly conducts its business. I refer to *Beauchesne's Parliamentary Rules and Forms of the House of Commons of Canada*: "Privilege is the sum of rights enjoyed by the members of the House collectively and individually, without which we cannot discharge our functions as legislators."

Proceeding to departments first without completing general debate does not allow us to discharge our functions as legislators. There are a number of topics that are covered in general debate that impact how the remainder of the budget will be debated. Failure to complete that first step makes it almost impossible to take the second step.

Thank you, Mr. Chair.

Mr. Cardiff: I would like to make a few brief points about the question of privilege. We in the third party are concerned about what transpired last week and the precedent that it could set if we allow this to happen. There is a logical order to proceeding with budget debate. As was mentioned previously, the logical order would be to conclude general debate -- the broad look at the budget and the government's spending priorities. I think one of the things that was disturbing about what happened last Thursday was the fact that there was no notice that there was going to be a change and that we wouldn't be going into general debate and that we would be going into the Department of Economic Development.

We on this side of the House -- the third party and the Official Opposition -- we were not made aware that that would happen. It does set a precedent to not conclude general debate and move into departments. What that speaks to is the level of cooperation we on this side of the House get from the government. We're trying to cooperate and ask questions and get information from the government on what their spending priorities are because they are spending the public money. That's what our job is: hold them accountable and ask those questions and get answers. Sometimes the answers aren't very forthcoming, but that brings me to the other point.

Last Thursday we were going to go into the Department of Economic Development. It was a couple of short days prior to that being foisted upon us that we had a briefing. For the Government House Leader's information -- and members on the other side, I'm sure, have to be aware of this -- when we go to a budget briefing for a department, one of the things that is fairly typical is that departmental officials offer to provide information in response to the questions we ask. We ask them to provide information, and they offer to go back to the minister and find out if they're allowed to provide that or if it's possible to provide that information.

I'd like to point out that the information that was asked for and we were told we would receive has not been received.

Here we were last Thursday, about to debate the Department of Economic Development, and the flow of information did not happen. The information hasn't flowed to us so that we can formulate all the questions we would like to ask -- so we have more information and so the questions that we ask are questions that the minister can answer. We need that information to help us formulate the questions.

There was an interesting comment made by the Premier during Question Period today. He talked about exercising patience and he was telling the Official Opposition to exercise patience. We would like to be patient. We are patiently awaiting the information from several departments -- the briefings we have received in department briefings. We are patiently awaiting that information.

The logical thing to do, while we are awaiting that information, is to debate the budget in a more general, open discussion with the Minister of Finance to find out what the overall objectives of the government are with regard to its spending priorities. But patience is wearing thin on this side.

One of the things is that when we started in the fall and when we started this sitting -- the Standing Committee on Rules, Elections and Privileges finally had an opportunity to meet. That would be an appropriate forum to discuss some of the issues that are causing a problem here today. The fact that in the --

Chair: I would just ask the member to wrap up his comments on the point of privilege.

Mr. Cardiff: I guess what I am trying to say, Mr. Chair, is that the Standing Committee on Rules, Elections and Privileges, if it were to meet and discuss some of these issues -- maybe that is where we could resolve some of what we are dealing with today. There are no rules that actually lay out the order of budget debate in the Standing Orders. But I think that that is something that bears discussion. It is a sore point and it limits our ability to do our job. We don't get the information. We get blindsided by changeups like what we saw on Thursday, and I don't think that it is productive. It doesn't lend itself to the new era of cooperation that the Government House Leader would like to talk about.

Hon. Mr. Cathers: On the question of privilege, I will be very brief in my remarks but there are a few things I must point out. The government has attempted and will continue to attempt to work with the opposition on matters of business, including the discussion of the business before the Assembly today. But it is a long-established and well-understood practice that the actual order of business in the day is at the call of the government. I believe if members of the opposition take a look at *Hansard* from years gone past, they will see that changing the business and going into departments before general debate has concluded is not without precedent.

The government viewed the change on Thursday as being a minor matter. We were not aware that it was a sore point, as alluded to by the Member for Mount Lorne on behalf of the third party, until the issue was raised. It was viewed as a rather minor matter, and we anticipated that the opposition would be fully prepared to debate the departments as they had had briefings and had months to prepare for it.

With regard to the question of privilege, I would urge the Member for Kluane to reconsider the statement he said on the record. He stated that the opposition has far fewer powers than it did five years ago and I hope the member did not mean to make it in that manner, because the statement is blatantly false.

Mr. Chair, further with regard to cooperation, I would have to note again that the government will take the opposition's

concerns under advisement. We do attempt to work with them and cooperate, but cooperation is a two-way street or, in this case, sometimes a three-way street. We have reconstituted SCREP. We equalized the membership as requested by the members opposite, but if members such as the Member for Kluane wish this committee to discuss capital projects, as he raised to the Table, rather than questions of the rules of orders, we will not be able to get anywhere. I do not believe that the question of privilege is valid, but we will take the opposition's concerns under advisement.

Hon. Mr. Kenyon: On the question of privilege, I have a couple of comments to make. Again I would agree with the Member for Laberge that there has been a long-standing practice of debating different departments in general debate. The Member for Kluane has used the phrase "all cases". I don't think that is accurate and I request him to go back and consult *Hansard*. I think people should be aware of the fact that the case in point we are discussing happened last Thursday. He has had three and one-half days to prepare for that question of privilege and he in fact stated that he was not sure of the accuracy of that.

I would also point out to the members that general debate has not concluded; it is simply in a different order.

Members from the third party talk of precedent. Again I refer to the record, and the precedent is clearly in the other direction and they are awaiting information. What we are trying to do is to give them the opportunity to ask questions publicly if they are waiting for that, but I think the real crux of the matter -- and I'm sure the Clerks can check this -- is that on Thursday, the Official Opposition asked for a ruling, and I believe it was the ruling of the Chair that it was acceptable to change departments.

I suggest, Mr. Chair, that people review Standing Order 23(4). The decision of the Speaker is final, and that decision has already been rendered.

Chair's statement

Chair: The Chair has heard enough on the question of privilege. I will take the question of privilege under consideration. Either I or the Speaker will return with a ruling at a later date.

We will now continue with Vote 7, Department of Economic Development.

Mr. Inverarity: A lot of things have gone on in the last few days. I guess my concern here is that, had I had an opportunity to discuss in general debate some of the questions that I have for the Department of Economic Development, I would have gotten into them at that point. Now that we've moved into our line-by-line items, I think I'm going to start off with a bit of a preamble to lead into my first question, which I did not have an opportunity to actually get into in general debate as I would have liked.

To that end, Mr. Speaker, I think my initial question or my original thoughts here are: what is the role of the government in Economic Development? It brings to my mind a number of different issues. Having had a bit of a background in the area of economic development, I feel that it's important that I voice my

opinions on this at this point in time, as we lead into the question period.

I think that when we look at our role, there are a number of things that we can do for business and for the economy in general. I think primarily the role of government, in terms of trying to promote economic development, is one not to stand in the way. I think we all recognize that most economic development in virtually every jurisdiction in the world is not done by government. It's done primarily by small business growing into bigger businesses and bigger businesses growing into even bigger enterprises.

I think we have a role to make sure that we act as an infrastructure bearer to support these types of businesses. It isn't our role to give them money; it is our role to support them and to help them along, from an infrastructure perspective, but not to get in their way and not to put up barriers that may cause them to fail.

I see this happening in a number of areas and places, and I'd like to stress that I believe the Department of Economic Development has a role to play within the business community, but it is not one that is to stand in the way of business. It is to help facilitate them in some way and to help them to grow from an infrastructure perspective.

I'd like to touch on just a few areas that come to mind, and I'm thinking of areas that might be able to be improved in the near future. I note one in the budget where we talk about an area we call regional economic development, for example. I look at regional economic development and what's going on in that area, and I don't see a lot, personally. I know they're doing things within the First Nation communities and I applaud them for that, but I think there are alternative ways to help other individuals in our communities achieve economic success.

One of these is through a community-based economic development strategy. In the past, I have put forward propositions to both this government and to others in the area of regional economic development. One of them, for example, is to have a not-for-profit society conduct training seminars within the communities and assist those individuals within the communities who want to -- not just to run their existing business but how to facilitate them to start a new business and grow beyond just a cottage industry. I think it is important that we continue to do this.

I think the other areas are, for example, in banking. I believe there are a lot of areas that we can look at in the banking industry. In the 1970s when I lived here, we had a credit union, for example. The credit union fell on hard times in the late 1970s, and we have not seen one come back into the Yukon. A lot of people -- I wouldn't say -- dislike banks, but they have stricter, more rigorous regulations by which to abide.

I am pleased to see that the First Nations Bank of Canada is now starting up business in the Yukon. It's a plus for the First Nation communities. I understand that other individuals can actually use those facilities too. That doesn't preclude the fact that we can't also look again at encouraging the credit union to possibly come back. I know the B.C. Credit Union is very successful. Vancity is another one that is probably one of the biggest credit unions in all of Canada.

I would also like to talk a little bit about information technology. My background has been in information technology. I am an information systems professional, which is a designation I have earned over the years. I see this as being an environmentally friendly industry. I believe we should be looking at developing our IT industry and providing pipelines to the south. I know we keep hearing about the great pipeline to the south that will be coming for the IT industry. We keep waiting and waiting and waiting, but eventually, we will keep waiting.

I believe there are things that this government can do to support IT within the Yukon. For example, I had some interesting questions from a constituent of mine who had attempted to bring a new and innovative idea to the Yukon government. Over a period of months, since last fall, he was led to believe this might be something that would be very interesting to him. In fact, the end result was they weren't interested -- not because it wasn't an innovative, economic idea that could have been expanded throughout the world but more because, quite frankly, they were strung along. I will get into that when I get into the actual questions in my debate.

One of the other things that I believe -- and it goes back to the community-based economic development model -- is the cottage industries that we have been developing.

Over the years you have heard me talk about community-based manufacturing, on how we can take these cottage industries and move them through a process to where they can grow and be export companies. Aroma Borealis is an example of one that started off as a local, small business and they are now into franchising and I believe they might even be moving into the franchising industry. When you look at franchising, for example, it is really a knowledge-based industry. It is something that we can export from the Yukon and it doesn't cost anything from an infrastructure point of view, other than some resources and some knowledge that we can grow here. Just think about starting and creating a franchise industry in the Yukon. I am not talking about building franchises, necessarily; I'm talking about the business of creating franchises and how you can export that knowledge everywhere around the world.

What do we get back? We see things like tourism. For example, if I were to start a small business and take it to the franchise state, everybody who buys a franchise from me would have to come to the Yukon and stay in our hotels. They would have to go to our schools. We would have to create an educational model in which to train franchisees. They would come here and it would be a real boom from an economic point of view and we could do it in the off-season, so all the hotel rooms that are lying fallow in the winter could be used at that point in time.

Mr. Speaker, there are a lot of things that I would like to talk about and I will get into them on my line-by-line, as we go through the day. But I think it is important that we look at our role from an economic development point of view and what exactly we are trying to accomplish -- and we'll talk about that.

I would like to turn my questions now to the area of -- well, let's start with the rail study, I guess. We'll get into some questions at this point in time on that.

I was wondering if the minister could tell us what the total cost of the rail study is to date and if he anticipates any additional costs in the near future.

Hon. Mr. Kenyon: I must admit some confusion, because the member opposite has referred several times to the notion that we are in line-by-line debate. I am making the assumption that he misspoke.

In terms of the rail study, the total cost to the Yukon is \$2.35 million Canadian.

Mr. Inverarity: Does the minister anticipate that the rail study will be completed any time soon?

Hon. Mr. Kenyon: As the member opposite knows, the rail study is complete.

Mr. Inverarity: When does the minister expect the report to be released?

Hon. Mr. Kenyon: As the member also knows, the report was funded jointly by the State of Alaska and Yukon with input from Canada, the United States and British Columbia. It is being reviewed now by Alaska and will be tabled when that review is complete.

Mr. Inverarity: Just along the same lines, I understand -- though I don't know for sure as I have not seen the report and whether or not it talked about this at all -- that the rail link was originally budgeted to be in the \$11 billion to \$13 billion range. I was wondering if the minister can confirm if this is a reasonable estimate or if he expects to see any change to that along the line.

Hon. Mr. Kenyon: Again, the member opposite is well aware that the study was never budgeted for \$11 billion to \$13 billion. The study was initially budgeted through a bill in the United States Congress for \$12 million to be shared. Our initial budget was for \$6 million to complete the study. Yukon's contribution to the final study as complete was \$2.35 million.

Mr. Inverarity: Yes, Mr. Chair. I apologize for that. I meant, actually, the actual railroad itself was budgeted at that amount. I realize that we're talking \$11 billion to \$13 billion for the actual completion of the rail link and not just a study. But perhaps the minister could also fill us in on any of the private interests or private sector corporations that might be involved in this particular project at this time.

Hon. Mr. Kenyon: As the member opposite said moments ago, the purpose of the study is to provide detailed information to the private sector to allow them to make a reasonable business case based on that information. The final costing would then be the results of those private interests. The government is not building a railroad and never has.

Mr. Inverarity: Just out of curiosity, how much has the federal government actually contributed toward offsetting the cost of the study at this point in time?

Hon. Mr. Kenyon: Nothing.

Mr. Inverarity: Mr. Chair, I thought that they were actually a participant in this whole process. Would you perhaps explain what their role is, then?

Hon. Mr. Kenyon: They were part of the working group, and I'm sure there were some phone bills and such, but as to contributing to the actual cost of the project overall -- nothing.

Mr. Inverarity: I'm just moving on to a different area now, Mr. Chair -- the cold climate cluster. How does the cold climate cluster relate to economic development?

Hon. Mr. Kenyon: Again, as the member opposite knows, the cold climate cluster concept is something that is being promoted by the Department of Economic Development to show the economic sense of that and, again, to turn that information into a private sector investment. We are working with the National Research Council of Canada. We are already funding groups that are starting all that process off and putting the information together. But again, the member opposite has all of that information.

Mr. Inverarity: My understanding of the cold climate cluster centre of excellence or whatever -- is this particular building initiative designed to bring new business to the Yukon? I believe Iqaluit has one at the present moment, and I believe Iceland also has one. The idea is that individuals who have products they wish to test in a cold climate are brought to the Yukon -- they pay big bucks -- and they get to test their product in a cold climate environment.

If I recall, the plans originally had a large refrigeration unit floor and compounds in the building. The idea was that this would be an area, together with the fact that we live in the north, where individuals could test their products in an ultra-cold environment.

This goes back to my original discussion about community-based economic development. I wonder why the minister would think to put this particular enterprise in Whitehorse and not someplace in the Yukon that is really cold, like Mayo, for example. Logic seems to be that it's one of the coldest communities in the Yukon, next to perhaps Old Crow, but there are other areas that might be better suited for this particular cold climate cluster. I wonder if it has been decided where it will be located, although I understand it's supposed to be attached to the college. Why have these other areas not been looked at from an economic development model? Surely if we were to put this into one of the rural communities, not only would the individuals who are coming in to test their product have to pass through Whitehorse both ways, but they would then also provide economic development in some of the rural communities. I'll leave it at that.

Hon. Mr. Kenyon: The partners in this project are Yukon College, Yukon Chamber of Commerce and obviously the Government of Yukon. They are looking at all parts of Yukon and where to put this. We are not simply looking at one place; we are looking at the entire range. I appreciate the member opposite seems to think that Whitehorse is the hotspot. I think that during the first week of the Canada Winter Games people might have disagreed with that. His comments about having a refrigeration floor are disturbing when we, in fact, live in a refrigerator.

The job of the study group is to create the business case and see what the market is for research and development. Currently there are these facilities in British Columbia, Regina, Edmonton, and St. John's. For the member opposite, there is not one in Iqaluit. Also, Iceland is not part of Canada, to my knowledge.

Mr. Inverarity: Well, if we want to get down to this level, I can easily go down; I don't have a problem with that.

I'm just wondering what the actual economic benefit might be for having a cold climate cluster in the Yukon. What is it that Yukoners actually get out of it?

Hon. Mr. Kenyon: The economic benefit, of course, comes from all the research and development and employment, jobs, et cetera, that would come out of something like this. For instance, the National Research Council is working with the research clusters in British Columbia, Regina, Edmonton, and St. John's, dealing with fuel cells specifically, with oil seeds, with grains and fish, but they have not yet committed to the total funding here. So, again, that's part of our study.

Such research clusters have proven very profitable in many areas. For instance, the Idaho National Laboratory, which I had the pleasure of going through with the Pacific North West Economic Region presentations down there, does fuel cell research. The battery and much of the mechanisms for the Prius hybrid car were developed in Idaho Falls, Idaho, of all places.

Research clusters have a great deal of benefit with that. The feasibility study steering committee is made up, again, at the National Research Council. There is input from the Energy, Mines and Resources department, Yukon Housing Corporation, Indian and Northern Affairs Canada, Yukon Chamber of Commerce, and representatives from Skookum Construction, Pelly Construction and Northern, and there are certainly others involved in that.

So far the funding has been aimed at making that business case, going through and showing the private sector and the federal government what we are capable of doing up here and what the resources are. We have a tentative agreement that Nunavut and Northwest Territories are supporting us in our bid for this in the north and, of course, it would potentially have a benefit them in a pan-northern approach.

Mr. Inverarity: So, if I stand corrected here, there are these centres all over North America. You mentioned Idaho -- I wish I had an opportunity to accompany you down to Idaho. It would have been nice to see it. These sorts of junkets would be nice to have.

I stand corrected on the Iqaluit one and I was under the impression they had something there because I recall the Airbus A380, I think, that was there doing some cold climate testing. Perhaps they don't have an official centre but certainly they used Iqaluit for it.

It strikes me that there seems to be a lot of these cold climate centres around, and if they can exist in Idaho or Saskatchewan or other places in Canada, I'm curious to what our competitive advantage would be to have it in Whitehorse. I understand that the minister will probably stand up and say, "Well, it's cold here." But we all live in Canada and it's cold everywhere. In fact, quite frequently we are the warmest place in Canada in the winter. So with global warming, I'm looking for a more economic answer to that question, as opposed to just the simple fact that we're cold.

What is our competitive advantage for having this cold climate cluster here?

Hon. Mr. Kenyon: We're talking about Canadian research clusters and not necessarily in the United States. The Idaho National Laboratory does not specialize in cold weather. It specializes in a variety of things. It is part of the national laboratory system in the United States. For instance, there is the Argonne National Laboratory in Oak Ridge, Tennessee. Interestingly enough, the physical size of Idaho National Laboratory is slightly larger than the State of Rhode Island, so it gives you an idea of what they have there.

They work with battery technology and development of energy producing, particularly nuclear energy, which is their big focus, and a variety of others. To my knowledge, there are no other cold climate research facilities dedicated to that and to bringing people together to work in a common area. That is the economic advantage of that.

The member is correct that the Airbus 380 was brought into Gander, Newfoundland -- or Labrador -- in order to do some cold weather testing. It was done by the Airbus corporation, not through any kind of research centre or research cluster, it was just that they were close. There is a massive airport there, so it seemed like a good place for the Airbus corporation to do the testing.

Similar things could be done here. When one looks at all the research and development of cold weather technology -- as I have said in here many times, while we are keeping the cold out, many other jurisdictions are keeping the cold in. This would be a centre to look at insulation, thermal transfer, heat exchange and a wide variety of things that would have great benefit even in the tropics. We have the benefit of different levels of weather. We have a range of very cold to, I would argue, fairly warm in some summers. One might think of Old Crow as a potential problem in terms of accessibility. Most people I know from Old Crow think of this as a very good thing, not necessarily a bad thing, but the remoteness might have great benefit in certain research projects.

This is why we're involving all areas, all jurisdictions and all communities and doing this through Yukon College. It will bring all the people with that expertise to one place and allow much more to be done, not only in the laboratory and potentially the classroom, but also potentially in the coffee shops and restaurants. People can come together with other people with similar research interests to talk about like problems.

I remember a cartoon in a medical journal I used to subscribe to. It showed two elderly professors sitting on lab stools in a laboratory with all sorts of glassware and beakers around them. One of them looks up from a journal and says, "It says here you've been working on the same problem I've been working on for 20 years." It gives people a chance to chat and work in a common environment. That's our economic advantage.

Mr. Inverarity: So how much money are you allocating in the current budget year to the cold climate cluster initiative this year?

Hon. Mr. Kenyon: The funding for the project in 2006-07 consisted of \$200,000 from Indian and Northern Affairs targeted investment program and \$153,000 from the Department of Economic Development. We've yet to identify private sector funding in that. To date, our contribution, I believe,

has been that \$153,888. We do already have staff and contractors involved in beginning to develop this. As I say, it's not a building, per se; it's an overall business-ready concept that would utilize all of Yukon and all communities.

Mr. Inverarity: Do you see this primarily as a facility that is trying to bring in and promote economic development? Do you think that we can market this nationally and internationally in a way that we will be clearly, if not the world leader, a major player as a centre of excellence for developing business ideas and business investment strategies around cold climate innovation?

Hon. Mr. Kenyon: Certainly, I see that as a very good and potential way to go. There is an old saying, Mr. Chair, that if you don't try, you've already failed. We see this as a real good possibility, a very good chance for us to become a world leader in this. I think the National Research Council, by supporting Yukon as a potential location for that research cluster -- a cold climate innovation centre -- agree with us on that. Again, it would be headquartered in the Yukon. It may involve other areas, just like the International Polar Year tends to involve everywhere, because it certainly gets quite cold in other parts of the world as well. We see this as a very good development and a good direction to go. Again, as the member opposite himself recommended a few moments ago, our job is to give a business-ready case and to show that this makes sense and how it would develop and how all the people would come to the table and what they would do at that table.

So far, I think the group has done a very good job. It is certainly another step in diversifying the economy. Members opposite have gone to great lengths about the boom-and-bust economy of a single mine, and they are quite correct on that. Our job is to have multiple mines, perhaps smaller mines, and to diversify that economy, to have other things available, to have a vibrant film industry, a vibrant sound recording industry, to have companies like Aroma Borealis, which he mentioned before, and similarly related businesses that can take those products elsewhere to diversify our expertise.

It was interesting to note that when I had the good opportunity to travel to the Geoscience Forum in Beijing, several of our people from Energy, Mines and Resources who were there toured afterward and went out to some of the exploration sites. They were quite surprised to find a Yukon drilling company in China training Chinese, working with the Chinese and doing the drilling, because of their high level of expertise.

When you start looking at airstrips in Antarctica, they are built very much by Yukon companies because they have the expertise to work in those cold climates. Could something from a cold climate innovation centre, through a drilling project, look at different ways of working, different drilling techniques, different drilling materials, on and on? I used this as just one of probably hundreds of examples of what this cluster could do to diversify our economy once you bring like-minded people together to have these discussions.

Mr. Inverarity: The Premier, on a number of occasions -- not particularly this sitting, but in the fall sitting -- attached the cold climate cluster to a climate change research

centre. I am trying to understand the two and how the Premier sees them as an integrated process.

Perhaps you could tell me what role the climate change research centre has as an environmental program, compared to the cold climate cluster centre that is an economic development initiative.

Hon. Mr. Kenyon: There's a very close relationship here. Two of our biggest challenges in the north are the fact that, while we can in general do so very little in reducing greenhouse gas emissions and dealing with the causes of climate change, we are the primary recipients of the problems.

For instance, as you look at statistics of warming trends and temperatures, most of those statistics are based on worldwide rises or falls in the temperatures. When you start getting into the more arctic regions, you end up with the more dramatic of those. The difference might be relatively little near the equator but relatively large with us.

Does any of that mean we shouldn't be doing our fair share and our part toward reducing CO₂ emissions? No, absolutely not. We have to. I don't mean that at all. What I mean is that, when you deal with a jurisdiction that has more moose than people -- I believe it's eight caribou per person and a grizzly bear for every family of five -- in a jurisdiction that's 5.8 percent of the land mass of the second-largest country in the world, you start realizing that we are a relatively small part of the problem. We don't have a huge manufacturing base. Many would say that's good, but the reality is we don't have that.

While you can argue on individual cars -- and you should argue on individual cars -- the reality is that if you've driven down the main street of any major city of the world, you'll realize that, in the last 10 minutes, you went by more cars than are in the entire Yukon.

Can we do a lot about it? No. Should we do what we can? Yes, absolutely. You do what you can.

The bigger issue for us really becomes dealing with those changes, with accommodating and trying to do things in such a way that we can accommodate those changes, and that becomes a huge challenge.

A good example of that, to again put it in terms of a report, since the Official Opposition seems to be focused so much on reports -- the report on the state of the economy basically is a compilation of federal statistics that are several years late. When we did release a report some time ago, one of the things in the report was that 4.7 percent of the greenhouse gas emissions occurred in the gas wells of Kotaneelee. The problem is that the well comes out of the ground and goes right straight into British Columbia. At the time, I had a great deal of difficulty trying to understand what this meant. It obviously seemed wrong, and when I asked to review that, I was told no, this was a statistic that was given by the federal government and that's all we were doing -- reviewing government statistics, which we get on a daily basis anyway, and that's what we should be reacting to.

We found out, six months later, that the federal bureaucrat who wrote that report had, in fact, never visited the Yukon or those wells. He had no personal knowledge of any of it. He took some statistics out of gas wells in British Columbia and

Alberta, extrapolated them to a totally different situation and, in fact, when they actually did their due diligence, it was 0.047. They expended more greenhouse gases going there to check the well than the well would ever expend.

Again, it's a statistic and a way of accommodation when looking at those things. Yes, one has to look at the CO₂ put out for the planes and vehicles to get there, but with the accommodation in dealing with the cold climate technology, again, it is very easy to play with statistics. For instance, today in Question Period, Herschel Island was mentioned. Somehow, I think that whatever we do in the Yukon, no matter how dramatic, is not going to affect the depth of the Arctic Ocean. Short of bailing rather vigorously, I am not sure we are going to do much with that.

Can we accommodate and can we look at the potential problems that will come out of that in dealing with changing vegetation and changing wildlife patterns? I think yes, and that's where the cold climate innovation cluster comes in, in terms of utilizing that technology. If we are to encourage mining and exploration here, are there ways of dealing with those sorts of activities in a cold weather climate? Are there ways to modify that work to make it more environmentally friendly? That is work that could come out of a cold climate innovation centre.

We are looking at it from a wide range of perspectives. The benefit is to bring all the people working on the same problem together, so that they can talk and find out what they are doing in each other's labs and attack problems from a common perspective.

Mr. Inverarity: I have just a couple comments, Mr. Chair. It's nice for the minister to acknowledge that there are statistics, and then there are lies. Quite frequently, I hear the statistic that exploration in the Yukon is tenfold what it was a year ago or five years ago or whatever -- tenfold of nothing is still nothing. You can represent it any way you like. But I do acknowledge that it is on the increase, and I would like to give credit where credit is due, if it's due.

Getting back to the cold climate cluster, however, I am not sure if the minister actually answered my question. I look at the cold climate cluster as an economic driver, a place where people can test products or services. We have a sales team that goes out and says, "Bring your products to us so we can test them here." What is it about global warming, be it local or around the world, that is impacting us. That is how I look at climate research. I acknowledge that certainly we are the recipients of everybody else's greenhouse gases. But that's what it's about. It's about how we deal with our environment, and this is economically based. I could see somebody in, for example, a cold climate research centre analyzing the change in the economy because of the fact that maybe our lakes are not freezing over in the wintertime or the fact that maybe it's going to get colder. We really don't know the impacts.

I think the people in Beringia a few million years ago might have been quite happy with global warming. But I think the issue here is one of studying and researching and coming up with ways to mitigate our part of being in a global, changing climate. The other issue is going out and soliciting businesses

to come and actually test their products or services, their cars and their planes. Unfortunately, I don't think the minister answered the question as to how the two are integrated from an economic development perspective or from a climate change perspective, or are the two -- maybe that is what they're trying to sell us -- totally integrated. To me, they are not.

Hon. Mr. Kenyon: It's unfortunate that the member opposite doesn't understand what economic development is all about. Again, bringing people together and dealing with common problems in a common area, in my experience, has been a very good thing. Again, the one facility that I had a chance to have some involvement with was the chemical industry's Institute of Toxicology in Raleigh, North Carolina. Again, bringing all the people who work with those common problems together in a single building and a single venue to talk about the problems and to develop products and solutions has great economic impact. It's called diversification of economy, but that is a concept that, I guess, is a little foreign to some.

The member opposite mentioned the tenfold structure. The Leader of the Official Opposition has said many times that the economic boom and economic development has been due to world mineral prices. Again, the operative word there is "world". When you look at the statistics and the figures, basically in terms of how that development has improved in the last couple of years -- again, with the same world mineral prices, Yukon is 10 times the national average in increase in exploration and increase in development of mines. It was not 10 times nothing; it was \$6 million when we took office, nearly \$100 million last year, and it will go up significantly from there. One mine in particular has already committed to a \$25-million research project. That is the same world mineral price as anywhere else. Again, it's how you want to look at those sorts of things and how they would go.

The cold climate innovation cluster is one of the many things that would diversify the economy, bringing people together. As people come together and look at that, they are investing in the economy, they are buying homes, they're shopping and doing all the rest of the things that people want to do. It's rather amazing that in just the last several days I've been touring some investors around who wanted to look at the Yukon and invest in the Yukon. It's always fun going into a restaurant and getting people in the restaurant talking or a server talking. I started discovering people in their early 20s who are moving up from Ontario or Alberta for the way of life. Everything is here that they would ever want. The economy is, as I say, diversifying. They are finding it a better place to live. A cold climate innovation centre would certainly be part of that.

I have some problems, given my background with universities and colleges, understanding the New Democratic Party's concept of "build a university and the economy will boom", but I have to admit that a cold climate innovation centre might be a start in that direction. I would invite my colleague from Porter Creek South to have a chat with the NDP about some of these concepts. They are very valid concepts in terms of diversifying the economy. This is one part of the puzzle. It's not the overall puzzle but it's certainly one part of it.

Mr. Inverarity: As we're talking about universities and things along that line -- and it's related to the cold climate cluster and the climate change technology research centre. You mentioned the universities, and I wonder if there has been any movement on setting aside endowment lands for the college, as it relates to economic development. Is the minister part of that decision?

Hon. Mr. Kenyon: I invite the member opposite to bring that up with the appropriate department. While we may have some discussions with the other departments, we do not deal with the allocation of land.

Mr. Inverarity: We've been talking along the lines of building centres of excellence and whatnot. I am wondering if the minister is working in other areas. For example, just recently in my old job, I was trying to promote business incubation. I had put together some ideas along the lines of a knowledge-based business incubation model and talked a bit about the small business franchise incubation model. I don't see much in the budget along those lines. Perhaps it's just hidden somewhere under "Other". Could the minister comment on any other initiatives they might have that relate to developing or incubating businesses?

Hon. Mr. Kenyon: I understand that there is about \$250,000 in a technology innovation fund. Again, I would direct the member opposite to the business and trade branch, which works with the business incentive programs; we work very closely with Dana Naye Ventures business development and microloans. The enterprise trade fund itself involves working very closely with people with business ideas and the north Yukon business advisor program is again one of the many programs we have in the northern part of the territory that is involved in assisting people with presenting business-ready plans. I believe the member opposite actually stated that in his opening comments. It is not the place of government to invest directly in the business and to develop the business, but in fact it was the part of government that would allow us to help entrepreneurs or help businesses to develop a business-ready case.

That technology partnership is actually \$217,000, Mr. Chair. The idea is to promote and facilitate development in the Yukon strategic and emerging industry sectors; to work in partnership and I stress "partnership" with industry and the government to establish common priorities and plans -- that can be innovation; it can be growth; it can be expansion -- and to identify and promote strategic industries for business projects to benefit the Yukon's economy in general.

There are a number of ways that we can do that. The member is quite correct. It resides in a number of different ways because there are a number of different ways that we can do that. We have left those programs in a very wide-open range in order to have maximum flexibility to respond to Yukoners' needs.

Mr. Inverarity: I wasn't implying that you invest directly into businesses. My indication here was that I thought our role to play was one of infrastructure. I certainly can appreciate the minister's point of view considering he just gave \$200,000 to a mining company.

The point I am trying to make is that there are a lot of cottage industries out there that don't yet have the economy of scale they need to be able to take their products to the next level -- to an export-ready product. Sometimes all they really need is the ability to package their product in a professional way in order to get it ready for export. In other words, we all know that packaging in Canada can be very cumbersome, particularly in light of the two language requirements and all the packaging that has to be done. One has to have it in the right size and right font. If it's a product of the Yukon, it has to be stated that it is a product of the Yukon and a product of Canada.

By creating what I call a small manufacturing incubator, the ability for a lot of these cottage industries -- and I'm thinking, for example, about the lady at Little Fox Lake who makes fireweed honey collected from her bees. I know her husband packages Arctic char that he sells locally. He would like to export wild Arctic char but doesn't have the manufacturing capability. They can't go to the bank to raise that kind of capital because they are a cottage-based industry.

What I'm thinking of here is a centre -- and perhaps it could be attached to the cold climate innovation cluster building when it's built. The centre might support these other small industries that are looking to develop their business and take it beyond the next stage. I know from my involvement with Aroma Borealis it was cited as an issue in terms of how you get the economy of scale to do runs of your products and get them professionally packaged so you can export them.

Believe it or not, the same applies to the IT industry. I believe that we could develop a knowledge-based IT industry in the Yukon that exports their product. Well, what do you export? Well, you export knowledge. Perhaps they don't need a packaging incubator, but they certainly need an ability to bring together other individuals so that they can actually develop a group product that they can export.

My question to the minister is this: are you doing anything to provide infrastructure to take these what I call "cottage industries", or small, community-based industries, to the next stage in their economic development? Because, at some point we are going to actually run out of material and minerals, and we are going to need an economy that's going to be solid on something other than just raw resources.

Hon. Mr. Kenyon: It is interesting and I thank the member opposite for spending the last few moments outlining all the projects that we have supported. I don't believe there is anything that he has mentioned that we haven't supported. It is public knowledge and there were press releases. Aroma Borealis is a very successful company; I congratulate them on what they've done. They have accessed the enterprise trade fund and have been well-supported by our department. I thank him for giving me the opportunity to say that.

He again mentioned the cold climate innovation cluster and the building -- whenever it's built. I'm not really sure why the Official Opposition likes to focus on a building; in fact, there may not be a building. It may already be built. These are the things that have to come out and develop.

The member opposite mentioned, for instance, that we have made a \$73,000 contribution this year to the Dana Naye Ventures microloan program. The project has operated under an agreement with Dana Naye Ventures. It allows Dana Naye to provide training, coordination, mentoring, loans and administrative services to small business operators, et cetera, who may otherwise be unable to obtain suitable credit and training. I don't believe there are any other programs that provide micro-business loans and training to small business operators. I remember in previous budget debates, the Leader of the New Democratic Party, the Member from Whitehorse Centre, spoke at length about the benefit of microloans in many different environments in Third, Second and First World countries and what microloans can do for a beginning entrepreneur. I'm certainly happy that we are -- and have in the past -- supporting that and will continue to support it.

That program is an example that focuses on the clients that may otherwise be totally unable to obtain any kind of suitable credit and training through other government programs. Although through so many of the programs like business and trade and enterprise trade, there are many things available.

It is unique in that a borrower participates in a peer lending circle with other businesspeople, who then vouch for the applicant and approve the loan. The maximum value of the first loan cannot exceed \$2,000. So it is, in effect, a real microloan, but it is often enough to kick-start someone's project. Once the loan is paid back, a successive loan valuing \$4,000 can be made and, as each loan is paid off, an additional \$2,000 can be borrowed, to a maximum of \$8,000. The contribution of Dana Naye Ventures provides \$73,000 in support dollars to cover administration and training for micro business loans. The project was evaluated in the 2002-03 fiscal year, and the evaluation indicated that the program was very successful.

There are a number of different things that we've done on that. I thank the member opposite again for bringing up -- however incorrectly and only partially complete -- the fact that this department did support \$200,000 to the development of the Sherwood Copper mine. For the member opposite, however, we do have to look at that entire picture. The Sherwood Copper mine is in a defined area on Selkirk First Nation land and is being developed and will soon be producing and shipping ore in conjunction with the Selkirk First Nation. It is the company's belief, and it is the Selkirk First Nation's belief, that the ore deposits in fact go well outside of the mine area and into other parts of Selkirk First Nation land.

The \$200,000 put forward by my department will not be utilized for the development of the mine as it exists. It will be utilized for the development or further proofing of resources on Selkirk First Nation land to extend the life of the mine and to extend the area to the benefit of Selkirk First Nation.

Mr. Chair, I think they're very pleased with that. Certainly, what we've got from both the mine and First Nation leaders is that it's a very good development. We're very pleased to have done that. I think it unfortunately is only looking at a part of the problem by trying to say and trying to make it look like it simply was a loan to the mine. That is only a very small part of the story.

The Minto mine will contribute about \$454 million directly into the Yukon economy over its estimated life cycle of production. That is the current mine site. Over the first five years of production, the mine is anticipated to lead to an increased employment of 170 ongoing positions in transportation, mining, milling and support services contributing \$13.7 million in territorial wages and salaries in those areas.

During the construction and development phase of the mine, the Yukon economy is expected to expand by \$30.8 million and produce 210 job years of employment contributing \$16.6 million in territorial wages and salaries. The Department of Economic Development is very proud that, through the strategic industries development fund, it is assisting Sherwood Copper with optimization studies associated with the original feasibility study and a pre-feasibility study to determine future economic benefits to the Yukon.

The project is expected to achieve commercial production in the next couple of months and is projected, in its current state, to operate for at least 7.2 years. In addition to Yukon, the project will, as I have stated, greatly benefit the Selkirk First Nation, which also has a net smelter royalty on produced metal, access to all royalties payable to the mine as per their self-government agreement, and a cooperation agreement with Mineral Explorations Limited to maximize employment and contracts associated with the mine.

The department is also providing funding support to the Selkirk Development Corporation to help Selkirk achieve the maximum benefit arising from business opportunities from the mine. That contribution that the member opposite refers to -- the actual studies related to that -- is 38 percent of eligible costs, which are actually \$521,637. The company is contributing the rest, which is \$321,637.

The Government of Yukon will benefit from personal and corporate income tax associated with the project. I have heard figures there in the \$20-million range, as well, to benefit the territory.

We have a number of different ways that it will be of great benefit. I really do thank the member opposite for putting it on the table and giving me the opportunity to give the rest of the story, Mr. Speaker. I invite him to have a chat with his colleague, the Member for Mayo-Tatchun, who represents that area and who, I think, is very pleased with what we have done with some of the Yukoners who live in that area.

There are a number of different northern strategy things that we have contributed to through the northern strategy program -- the Yukon and Council of Yukon First Nations are partnering to complete an e-commerce initiative, for example. The major objective of this initiative is to stimulate business by pursuing Outside markets using the Internet. This is a project that I'm sure is very near and dear to the member opposite. This initiative began in 2006-07 with a contribution to Council of Yukon First Nations in the amount of \$50,000. Funding in 2007-08, before we get to that line, will be another \$50,000. Funding flowing through the Council of Yukon First Nations will provide the development of training materials and tools, as well as provide a facilitator to provide e-commerce with community business.

Direct benefits include an increase in Yukon's exports, reduced dependency on tourism, the growth of Yukon's small businesses in general and, again, diversifying the economy. The secondary benefits include building capacity and knowledge among Web development industries.

As the member opposite has mentioned, there are so many things that can be done. When you look at the fact that 98 percent of Yukon households have the ability to tie into broadband and high-speed Internet -- in fact, the Province of Ontario is closer to 62 percent. We had a fellow in the office about one week ago who was not only quite horrified at the 98-percent penetration in the Yukon of broadband Internet -- but the fact that he lived in a major suburb of Edmonton and could not get broadband Internet at his home. There are several ways we can use the Internet, which the member opposite has brought up several times now. There is much more we can do than just facilitate someone selling on eBay.

Mr. Inverarity: I just want to clarify one thing: I was not under any misunderstanding that it was not a loan, that it was a grant that was given to Sherwood Copper. Quite frankly, that's fine.

I think I would like to just move on to a different area. This is something left over from before, regarding the community access program. It's not a big item in the budget this year. I am just wondering what the current status of it is and what the government is trying to achieve with the particular program.

Hon. Mr. Kenyon: I was just getting some clarification there. That particular program the member refers to is a federal program that is being phased out, although we intend to utilize the information to continue our own little work in that area to finish it off, to bring the smaller communities into line with Internet access.

It's interesting to note that on our community tour about a year ago, in Keno City, one of the things that someone brought up was Internet access and community access. On our return, I asked about this, and I was both quite shocked and pleased to find out that Northwestel was bringing high-speed Internet to Keno City.

We are also in the process of developing a study to look at community access and how government can better communicate with people in the smaller communities. If we have that kind of penetration in small communities then we are getting to a point where it makes sense to perhaps utilize that sort of information and technology in getting the information out on government programs, government contracts in general and fulfill all the statutory and other requirements that we have to get that information out. So, yes, we are continuing on that, but it is a federal program that is being phased out.

Mr. Inverarity: Mr. Chair, how much money is currently in the fund for this year?

Hon. Mr. Kenyon: We received about \$40,000 in 2006-07 from Industry Canada for looking at a variety of sites throughout the Yukon. Again, we're having to deal with another federal program, a boutique program that is being phased out.

I am just checking here in terms of what we have. In previous years, we've received about \$193,000. So it's rapidly de-

pleting, as I say. It's a fund that is now being phased out. But through that and through other targeted programs and other use of programs, we've achieved a penetration of high-speed Internet of 98 percent. So it has been a very successful program. It's unfortunate that it is being phased out, but that's something that we'll have to deal with the federal government on.

Mr. Inverarity: I understand there is \$44,000 in this year's budget -- in past years it was as much as \$193,000. My understanding is that a large portion of that money doesn't get spent every year and it actually has been revoted. The original question I had was: how much was in the total fund at this point, including those amounts that have been revoted for this?

Hon. Mr. Kenyon: I understand that the final figure has yet to be determined but, again, in terms of holding to strict accounting practices -- which we are required to do by the Auditor General and we have been very successful in, as the members opposite know, receiving unqualified audits from the Auditor General of Canada -- it is very common, given a set date of a fiscal end, that projects may or may not be completed at that point. So it is very common in the funds. I will save him basically asking questions later.

The community development fund is another good example where projects that are approved in maybe February or March have to be booked but they may not be completed until the end of the summer. So the easy way is to sit and say, well, you've had that information but it wasn't put in there. But it will be revoted and put back into the projects. This is common with all of these -- it's not a revolving fund, but it is a difficult thing when you are looking at projects coming in at all points during the year.

So the bottom line is, yes, the money will be there. There will be a percentage of it revoted, as projects go. We also deal with -- again, using the community development fund just because it's in the forefront of my mind. We have had projects that would have been completed in November but, given the fact that, again as the member opposite has noted, it gets cold, we weren't able to complete that project and will do it once the snow has gone.

The amount of money appears in the budget and will be revoted, but the reality is that the projects will be done. It's just a question of timing.

Mr. Inverarity: I guess for the record, I am quite aware of the community access program. I was involved in a sister program called "computers for schools". The two of them are Industry Canada programs that have been around for a number of years. The minister is correct in that my understanding of the community access program is that it is somewhat being phased out. The computers for schools program is going to be getting money for another year, and I'm pleased to see that. I think that both of these programs are excellent. I guess just from an operational point of view, the community access program, where they actually put physical computers into libraries, schools and band offices in the Yukon for people who don't have Internet and can't afford high-speed Internet, because their dial-up service is being severely curtailed in the communities. The community access offices may be the only places they can get access to computers and the Internet for a

number of different programs. I support this program wholeheartedly.

My concern from a dollar point of view is that the budget says \$44,000 this year. I know that money has been revoted for this past year, but I believe that there was a revote also done in 2005-06. I don't know the exact amount, because last year the community access program hired a contractor for the year to do some of their functions. My understanding is that this program is actually administered by the Department of Economic Development. There could be \$200,000 or \$300,000 lying around in this fund that is not there, and could be used for continuing the community access program.

I will leave the issue of the accounting side of it to the minister and the Auditor General for revisiting at some point, because it looks like this money has been continually revoted. As much as I believe that the community access program, in some form, should continue even after Industry Canada curtails it, I think the government should step up and look at this program. Perhaps the program could be better served by moving it out of the Department of Economic Development and into an NGO, which is what has happened with the computers for schools program.

I was wondering if the minister would care to comment on two issues: one, getting back and telling me exactly how much money is available to the community access program; and two, if he thinks that the service could be better utilized by putting it out into the NGO area.

Hon. Mr. Kenyon: The member opposite seems to have a bit of confusion around the accounting, so I'll reiterate here. It is not the same dollar value every year that simply sort of percolates along, but if there's a dollar figure that is revoted in one year, the projects are completed. At the end of that fiscal year, there may be other dollars that have to be revoted into the next one. So he seems to be under the misconception that it's the same dollar value that just sort of sits there and doesn't get spent. I'm sure if he thinks about it, he will understand that that's not quite the case. Revotes are a natural part of any of these programs. He also has to realize that this has so far been a pass-through fund; it's something that Canada has funded. It is a so-called "boutique program" which we now simply pass through on the funds. It is something that we should examine and look at. I not only agree with him on that, but I have already taken action; the department has already done the request for proposals -- if it's not out already, it will be very shortly -- to take a more detailed look at how we get the information out and whether or not it makes sense to get that information out through something like the community access program which would then allow better computer access, high-speed Internet into schools, offices, whatever is within the individual communities and whatever is the best use for that. It's disappointing to a large degree that we are under statutory requirements to get some of this information out in terms of distributing contracts, job opportunities and this sort of thing.

We need someone to look at those statutory requirements as legal requirements in order to meet all of our obligations -- and I would submit -- exceed all of those obligations, to do it in a way that involves one media outlet that leaves the money and

the advertising revenue in Whitehorse, garners very little benefit to any of the communities, short of fire starter and something for the bottom of bird cages. There must be a better way to get that information out and do it in a way that would benefit the communities, the libraries and the various things in communities that would be helped by having better computer access.

I suspect that we could do it for less money, and I suspect that we can do it in such a way that would benefit the individual communities rather than Whitehorse -- again, diversify the economy and diversify government programs outside the City of Whitehorse.

Mr. Inverarity: Well, Mr. Chair, perhaps to avoid a lot of detailed questions when we get into line-by-line, I could ask for a legislative return of full accounting of the community access program over the past three years and where the money has been spent. I would probably be satisfied with that.

Also I wouldn't mind some information about where you're planning on going this year, in light of the fact that the program is being phased out and that they have been using the computers to replace old equipment that was initially installed as part of the Industry Canada program. If I could indulge the minister to return those through a legislative return, that would be great.

I'm going to move on to strategic industries, I guess. My initial question for the minister is that I'd like him to define "strategic industries". What makes up a strategic industry as opposed to other types of industries and what are the qualifications to be a strategic industry?

Hon. Mr. Kenyon: The strategic industries branch is one of three branches that we deal with in the department. For instance, the enterprise trade fund -- and business and trade -- looks at the smaller projects' infrastructure and this sort of thing. Regional, of course, looks at the regional development of everything on that and all of those things it entails. Strategic industries branch looks at the wider range, the larger things -- for instance, major business development things that would be multi-million, the Destination: Carcross memorandum of understanding, mine training, CRTC review, telecommunications, voice-over Internet. These are some of the things that the strategic industries branch looks at -- major mine development, et cetera.

Basically, they look at the government's commitment to foster the development of Yukon's sustainable and competitive overall advantage by funding these large strategic projects and initiatives that create secondary spinoffs to the economy. That portfolio of projects is rapidly maturing. For instance, 14 new projects have been approved for funding for the fiscal year 2006-07 and a total of \$1.17 million expended. This is compared to funding of \$970,000 in fiscal year 2005-06 and \$501,000 in funding in fiscal year 2004-05.

Some of this is an indication that the projects are moving closer to completion. We are looking at a contribution to the economic activity in years to come. Since the inception of that fund overall, since the rebirth of the Department of Economic Development after its obliteration in 2000, we have approved \$2.641 million for 52 projects across the territory.

There are various proponents that are eligible for funding for project planning from concept development stage through to full commercialization. Projects can be submitted at any point in time. For instance, in this year, there is I believe \$1 million approved within the capital budget for the strategic industries development fund, of which about \$800,000 is set apart specifically for contribution agreements.

We do have a variety of tiers on that. For instance, tier 1 funding is up to \$100,000. The senior business advisor will work with the proponent prior to the submission of the proposal so that, once the proposal gets there, it is in good shape. The approval authority will be the director of the strategic industries branch or the deputy minister or his designate within the respective departmental signing authorities, and that is all controlled by the *Financial Administration Act*.

In tier 2 funding up to \$500,000, the senior business advisor will work with that proponent to develop a strategic project economic assessment on which to base the proposed cost share of the proposal. An advisory committee will make recommendations to the minister on that for approval on tier 2 funding. An advisory committee with sector experience is established as required, so that they are drawn from that sector, from that industry, to more perfectly evaluate whether or not it is a reasonable project and how it can or should be modified. That committee is comprised of two private sector representatives that are representatives of those types of projects, and two public sector representatives.

This gives you an overall view of strategic industries and how they function. They deal more with primary industries, particularly within mining, tourism -- like the Great River Journey -- and the film and sound development, which has been dramatically increased over the last few years. Secondary business depends on those primary industries -- construction, engineering, accommodation. All of those things can have some development interest within those strategic industries. These are the areas this group looks at.

Mr. Inverarity: I just have to think about this for a second, because it sounds to me like the definition of "strategic" is bigger. I am not sure if that is quite right or not. Perhaps the minister could tell me what the definition of an emergent industry might be and perhaps give some examples.

I noticed the minister talked about the Carcross development as a strategic industry. I understand mining and oil and gas can be strategic industries but would forestry be a strategic industry or would it be an emerging industry? I am just trying to understand the relationship.

Perhaps the member opposite could also give us some clear definitions. If I come to you and say, "Hey, I'm a strategic industry," what do I have to do or what hoops do I have to go through in order to prove I am qualified as a strategic industry, Mr. Chair?

Hon. Mr. Kenyon: Again, "strategic" to most people implies a wider range of spinoffs. For example, the film and sound industry is not, at this point, a huge one, but the spinoff potential is quite large.

For the member opposite, when he says that if he came to the minister -- people do not come to the minister. They come

to the department. These are economic decisions and there is no political interference or input into these things. You go to the department and the department puts you into the proper venue to maximize the return on that.

Mr. Inverarity: In the briefing we had the other day, we asked for a number of things that could have been passed on to us. It would have been nice to have had them by now. I am just wondering what the approval guidelines were and what the application forms were -- items we requested from the department. I am wondering when I might be able to expect those items.

Hon. Mr. Kenyon: Certainly those items will come sooner than later. I am sure that the department will expedite them.

When he uses the examples of applications, they are all on-line. He can go back and get those in a matter of minutes. There should be no difficulty with that.

On many of these, there is no firm application where people sit down and fill out point A, point B, point C. In fact, you come in and talk to our business development officers who will then put people in touch with the right people and programs. Even within some of these, we have used a blend -- for instance, to utilize the enterprise trade fund -- to allow a business to put together a more business-ready plan and help with the funding or to attend a trade show or something like that. That would then allow that individual or that business to come back to regional or strategic -- and to do that. Again, if an application exists, it is on-line. The rest are not applications. They are a chance to just sit down with the staff.

Mr. Inverarity: How would the department actually measure the effectiveness of the funds they have given out? What is the return on the investment they're looking for? How do they determine if a particular project is deemed a success or a failure? I'll leave it at that for now.

Hon. Mr. Kenyon: That's a good point, and I thank the member for letting me get into that. Every one of these programs will have a follow up and will have a requirement to prepare a report to show what was done. If it was simply funding to go to a trade show, we want to see a report on that trade show: who went, where did they go, what was accomplished, with whom did they meet, what benefit is coming out of that to them and to the Yukon? In a larger sense, what major projects or what research was completed and how was that utilized? What exploration was complete? How many holes were drilled and what information is coming from that?

These funds will also advance the money in stages so you don't just get an X dollar grant and get handed a cheque for that. You would get a percentage of that, with the rest based on what comes out of it, and that goes anywhere from microloans -- because they're small and someone is just starting out, we have to look at what's coming out, work with the proponents and help them, because they're obviously just starting out.

In the enterprise trade fund, there are both small and large, but the funds are put out in a metered way. On occasion, we have had companies come back and get very cranky because they wanted more money. We have to look at the product that came out of that, and we would have to refuse to advance any

further funds until we knew there was good value for what was put out on those things.

The strategic infrastructure fund is the same thing on a much grander scale. How is the money used; what effect did that contribution have; what are the economic benefits; what infrastructure was created as a result and how is that infrastructure going to contribute to the overall business plan?

There are all sorts of things. Even regionally, it is the same way with the community development fund. We would perhaps advance 90 percent toward a non-profit group to get the project started, but we would want to see a completed report of what was done and what the benefits were before we would advance that final amount.

So these things happen in a wide range of programs. That's why we have business advisors, we have trade advisors, and we have economists. That's what the Department of Economic Development does. We have some exceptionally good planners and business officers in there who work with these proponents. That's what they do. They have to do that at really every level to ensure that the public money is being spent well.

In terms of contribution agreements, we need to see the data and feedback of what they did with that contribution agreement. We don't just send them a cheque. As things go on after a couple years, we may very well ask to evaluate the impact: what economic benefit came out of it, where is that business that we helped two years ago, and where does that stand today? It's an ongoing process. I'm very pleased with the quality of people we have in those slots and the good work that they do.

Mr. Inverarity: I actually have a fair number of other questions I'd like to ask. However, on this side of the House, in the spirit of cooperation, I've had some discussions with the member for the third party, and I'd like to come back at a point after the Member for Mount Lorne is finished to ask some additional questions. But I think I'd like to turn the microphone over to Mr. Cardiff.

Mr. Cardiff: The minister made a couple of comments. The Member for Porter Creek South asked about receiving information that we had requested. This was a topic of discussion earlier this afternoon. I think that it is important to note that the minister said that a lot of this information on the various funds is available on-line, whether it's the enterprise trade fund, strategic industries development fund, regional economic development fund, or business programs and services. There is information on-line on the Economic Development Web site. It's not the easiest to navigate and it's not the easiest to find. Some of these funds on the Web site or application forms that the minister refers to do not always exist.

I'd like some assurance that we will be getting this information in the near future, hopefully before we conclude debate on this department.

Can the minister ensure that that information will be coming before we conclude debate on the department?

Hon. Mr. Kenyon: Certainly the department is working on that, and again, since I have no knowledge of what was asked in that briefing, I can't promise anything specific on that, but I know they are working on that.

There are some difficulties with the Web site. That's why that Web site, as well as the entire government Web site, is being redesigned and made a little bit more user-friendly. We're well aware of that, and I would submit that the more important thing on that Web site is the series of phone numbers. If anyone is interested in any of the programs, please call, because we can direct you to the right area and the right people and get things done in a timely manner.

Mr. Cardiff: The problem that I had, I guess, was that some of the funds weren't even on the Web site.

I managed to obtain some brochures -- I think they're well done, actually. They look good, they have good explanations of the funds and the way the funds are operated and the possibilities out there for businesses and people. The only complaint I would have about them -- and I see we have the new logo for the Yukon, "Larger than Life", on the front of these brochures -- is that the print on the inside is rather small.

If there are any visually challenged investors, they would have a hard time reading it. I know I need my glasses to read it. Things like that need to be taken into consideration. Overall, I think it's a good product. If the print were a bit bigger, it would be more helpful to people who are looking to make applications to these funds.

I would like to ask the minister about one of the things that came up in the briefing: the Alaska rail link. This was supposed to be a feasibility study about possibilities as to whether or not a rail link from the Lower 48 to Alaska would be viable. The Premier has now said that it is a pre-feasibility study, which would lead us to believe that there's more to come. The first question I have regard how much the government is prepared to invest. They have already invested a substantial amount of taxpayers' dollars in the pre-feasibility study. How much is the government prepared to spend to take this to the next step?

Hon. Mr. Kenyon: I appreciate the comments about the well-done brochures. I think that they are well done too. There is no political involvement at any point in doing those brochures, but I have to admit that I agree with the member opposite that we old guys would certainly appreciate some larger type.

In terms of the Alaska-Canada rail link, the confusion in terminology came about when it was originally called a phase 1 feasibility study. The Americans tend to use slightly different terminology. Whether we call it phase 1 feasibility as opposed to phase 2 feasibility, or a pre-feasibility as opposed to a final feasibility, it's all semantics. It's the same report. It's just a question of from which direction we look at it.

I still call it a feasibility study, just because I don't want to fall into either camp. The reality is that it begins to show that business case of whether further work should be done, whether it's further studies or further actual development on creating this.

Once the report is officially presented and in the hands of the private sector industry and a wider range of governments, at that point others will determine whether or not to what level it is going to go. Our job is to get that initial information out and make the determination if it is something that is worthwhile pursuing or if it is something that we shouldn't be wast-

ing more time on. Certainly, from what I've seen so far on this study, it will be well-received and it is a good, feasible economic decision to keep looking at, but that won't be our decision; that will be other people's decision.

Mr. Cardiff: Could the minister tell us what stage we are at with recovering? My understanding was that there were federal dollars from the United States committed to this. There were federal dollars supposedly committed from the Government of Canada and those dollars weren't forthcoming. The Yukon chose to go it alone on this project. It was my understanding that the government would be making some effort to recover monies from Canada for this phase 1 study. Is the government still pursuing those funds, and what are the chances of us getting something from the federal government?

Hon. Mr. Kenyon: The member opposite is sort of correct about that -- sketchy, but correct. For the record, I will fill him in. The then Senator Frank Murkowski, Senator for the State of Alaska, put a bill through the U.S. House entitled *Rails to Resources*. It was committing \$6 million U.S. to a study, assuming Canada would come to the table and fund the other \$6 million.

Then when he ran for governor and became Governor Murkowski, we tried to continue to move this along. Unfortunately, while the United States government was quite willing to come up with the money, the Liberal government of the day made it very clear that they were not. For the record, Governor Murkowski and Premier Fentie and others went to Ottawa and met with the Prime Minister and with the Deputy Prime Minister of the Liberal government of the day and were guaranteed that those funds would be forthcoming. I regret to say again that they were not forthcoming and we did not have any success in dealing with that government or with our Member of Parliament.

The decision was made at that point in time that with Alaska we would fund the study and see what we could get done with our own funding. Hence, Alaska and Yukon came together on the funding with some participation of the U.S. government. There was some participation of the Canadian government, as I mentioned before. Other than a few phone calls and such, there were no dollars, even though at the political level we were assured that those dollars would be forthcoming.

British Columbia has also had an involvement in this, but again that has not been in terms of contributions of funds.

In the final analysis, the study has cost us \$2.35 million Canadian as opposed to \$6 million U.S., so we have done it in a much more reasonable way. We were able to have that study group and most of the work done in the Yukon and involve a good chunk of Canadian companies and Yukon companies. We have been very successful in that, but we certainly hope that with Canada's new government we have better luck in terms of having those discussions, especially since, given the situation right now, we have had meetings. I've had the great pleasure of meeting with the director general of the surface rail transportation. I've had meetings with both the Minister and Parliamentary Secretary of Indian and Northern Affairs Canada as well as -- because of the fact that this is so much a part of the Pacific

gateway and the Asian gateway and everything else -- we have had detailed meetings on several occasions now with Minister David Emerson and his staff. We seem to be getting much more support -- that is from the current government, from the new government. It has not translated into a dollar value yet, but we are still hopeful on that.

Because most of the rail crosses the Yukon, the Yukon really has the largest part to gain here in construction. For instance, with the Alaska pipeline, when you bring that across after the initial construction, I believe the one study showed about 39 jobs with pumping stations at places like Army Beach. But the reality is there is very little economic value afterwards, except what it really comes to is the fact that once we have that pipeline through, we are able to access that pipeline. We want to make sure, and it has been our firm stance that it not be a bullet line. In other words, the gas doesn't simply come into the Yukon and fly through and go out the other side. We need to be able to put gas into it; we need to be able to take gas out of it, giving us cheaper and more environmentally friendly energy sources for mines and for communities. If that pipeline were to go through Beaver Creek, as an example, you would suddenly have the ability to have natural gas available in Beaver Creek. There are great benefits that would happen with that.

In terms of the rail, there would be the boom from the construction, but after that, what is going to be the effect to the Yukon for that in terms of mineral extraction and in terms of bringing materials in? Could it contribute to gas pipeline construction by bringing in the pipe? Right now, we're talking about 200 miles in Alaska and about 900 miles in Yukon and about 400 miles in British Columbia. So once that is there, it opens up anything from tourism to transport of goods to back-haul into Alaska to the potential of container traffic. Anchorage is five sailing days closer than Vancouver/SeaTac, which is horribly overcrowded at this point. So by the time that you have a ship put down to Vancouver and off-load those containers, we can have them on a train in Anchorage and have them in Chicago before they even come off the ship.

What are the financial implications? That is something that the study had to look at. Also, what are the socio-economic and environmental impacts? For instance, a little-known statistic is that better than 50 percent of the greenhouse gas problems and pollution problems through the Lower Mainland of British Columbia and the Fraser Valley is from the ships. It's not from the cars in Vancouver. Should we continue to look at cars as a potential source? Yes, we have to do that. However, more than 50 percent comes from the ships that are idling in the harbours. The worst part about that, of course, is that many of the ships are burning pretty crude bunker oil. Can we force them to burn a higher grade diesel or something? Would that help? Probably, but there are still a number of foreign ships that are just going to go the 12 miles out and continue to burn the cheaper fuel.

Something like this would not only be economically viable and bring those containers in faster, but it would also cut down on the ships that are sitting out polluting southern British Columbia. There is such a wide range of things within this rail study. I think it's going to be very good news. We are very anxious to get that information out.

Mr. Cardiff: Well, I wish the minister well in trying to get some money from the federal government to help pay for the rail link study, whether it's phase 1 or should be phase 2. I think there are also economic benefits that would accrue to all Canadians if the rail line goes ahead. It wouldn't just be to the benefit of Yukoners.

The other question I have about the rail link study is the pre-feasibility study -- or phase 1; whatever camp we're in -- has been ready for some time. It is my understanding that the release should be not only to business interests, but also the public. Public dollars were spent on this study and I think the public needs to have an opportunity to look at it, just like they need to have the opportunity to look at position papers on the education reform project.

I am sure there are a lot of people out there in the public who would like an opportunity to see this. The taxpayers are the ones who have paid for it, and it's sitting in a folder somewhere yet to be released. This is a question I would have actually asked the Premier in general debate: when does the Premier expect the Governor of Alaska to come here so this will be available to the Yukon public? Does the minister have any idea when the Governor of Alaska would be coming here?

Hon. Mr. Kenyon: That's a crystal ball that I wish I had. I'm hoping that occurs within the next couple weeks.

I agree with the member opposite that with public dollars going into the study and everything else, it deserves to get out there. But when 50 percent of the public dollars are Alaskan dollars, then we have the same problem in the other direction. We have to give them the courtesy of evaluating that and dealing with the people of Alaska. I share his pain and concern. Those are concerns that we express to the Alaskan Governor's officer every day that we speak to them. We are hoping within the next couple weeks we will be able to release that, because it is good news overall for everyone.

There are a lot of people in the public sector who have an interest in this. For instance -- I believe I have mentioned it here before -- the railway infrastructure fund in the United States has \$35 billion in it to put into rail infrastructure to the benefit of the United States. It would appear they have accepted that completing this link would be of great benefit to Alaska. So, when people ask who would build it, we know darn well that our department isn't going to do it, but are there any in the private sector who could? Sure. Are there some in the private sector who would want to access the railway infrastructure fund, as an example? To date, out of that \$35 billion, only \$3 billion have been accessed by U.S. railways.

There is a lot of room there, but our job is to show the benefit and the business case. I think the group working on it has done a pretty good job on that.

Mr. Cardiff: Given that there are Alaskan tax dollars in the rail study, I'm sure there are Alaskans who would like to see what's in the rail link study as well, because it is going to affect them and it's their tax dollars that have paid for part of this. It makes sense that they would want to see it too. Hopefully, within the next two or three weeks, the public will have a chance to look at the rail link pre-feasibility study.

To the best of my knowledge, there's a port access study as well, and I believe there is money -- the minister might be able to correct me on this -- for the next steps for -- I feel an announcement coming on -- the port access study. I believe there is money in the budget for that, but I'd like to know where we're at with the port access study now and if any of that information could be made available to the public in draft form.

It's similar to the situation we're in with the education reform project. The government seems to want to hold on to the information until it seems to fit what they would like to see happen, or what they think should happen, as opposed to sharing all the options and information that are out there with people. I don't know if there's a pre-feasibility study on the port access study that could be released now and then they could go to the final feasibility study, or phase 2. I think it would be good to see what information has been collected, what thoughts are out there and what the plans are for the future of the port access study. I have a feeling we're going to find out when the Governor of Alaska is coming.

Hon. Mr. Kenyon: I certainly ask the member opposite if he finds out first to please let me know. We do need to get the information out, but again the people who put in the bucks or pass through the bucks and put in the work have to be part of that. It is only common courtesy, however frustrating, to do that.

The port study was again prepared jointly, both by Alaska and Yukon governments, with a very, very good input from the City of Skagway and the Borough of Haines, so we have two more governments involved in that. It is ready, but it has to be jointly released. We will probably release it in conjunction with the Alaska-Canada feasibility study. They are intertwined very, very much. Part of that of course is due to the rail study. Do you tie in the narrow gauge, White Pass railway or do you not tie in; or, if you tie in, do you do a third rail because it is narrow gauge not standard gauge; or do you modify the cars; or does White Pass have no interest in that? These are all things that group had to look at.

All of these changes in the global economy are opening up so many opportunities and these are things that we really need to know. That secure tidewater access is essential for the viability of really not only some but many of the resource developments -- or it may be, depending on how you structure the railway, so this is also part of what they are looking at.

Unlike a lot of other infrastructure studies, this one is grounded. It has to be grounded in economic reality. It has to provide enough objective and quantified information to enable the public and private investors to take a serious look at developing port access facilities and all the related transportation links.

The short answer, I suppose, is the study is complete. It is with the rail study and we are still awaiting Governor Palin to come on this. As the member opposite knows, although it was from Republican to Republican, there was a change in leadership in the State of Alaska. Governor Palin, whom I have met several times now, I think is doing the right thing in terms of really having her own evaluation of these projects before she wants them released.

We will continue to work with her on that. The Premier will continue to work with her on that and, as I say, if the member opposite finds out when the governor is coming, please let me know as well.

Mr. Cardiff: Well, I saw the Premier whispering in the minister's ear, and I thought maybe we were going to get the announcement that something had been confirmed, but I guess not.

Has the government put any effort into securing land for port facilities in either Skagway or Haines, or are they looking at land in Skagway or Haines for port facilities that would be owned by the Yukon taxpayer?

Hon. Mr. Kenyon: That is certainly one of the options that the ports access study has examined. Again, it forms part of that report. So again, there isn't a simple answer on that, without looking at the report in its entirety. So I think best we wait until that whole picture comes out and is evaluated in the global picture.

Mr. Cardiff: So if it is being done, it is being done in secret. We're obviously not going to get an answer from the minister on that until we get a big announcement, I suppose.

There was also money identified to do some work around communications infrastructure. I'm just wondering if the minister could expand on what exactly the Department of Economic Development is looking at. Communications are vital to business and economic development. They are also really, really helpful for individual citizens. Where there is infrastructure that benefits both business and the public, I think that it is worthwhile looking at that, because it improves the quality of life of individuals. If it helps promote economic development and opportunities in business, then it makes sense.

Communications is something that is important to all of us here in the north, given the distances. What exactly is the department looking at in terms of communications infrastructure?

Hon. Mr. Kenyon: The member hits on a number of different things. Before I get into that, he refers to a "secret". First of all, it's so much of a good secret that it is being discussed in the media and in the House. I'm sure that's not what he means. In terms of the fact that it's secretly being done, the reality is it's not being done; it's complete. We are simply waiting for the opportunity to release it with reasonable consideration for our partners. I am sure the member opposite understands that. I understand his frustration, but we have to do that in conjunction with our partners. They were such a big part of the whole thing in the first place.

Telecommunications is certainly another area that is near and dear to my heart. When I first came up to the Yukon, the information highway was basically a goat path. You could call a 1-800 data pack number in Vancouver and get your information that way, in a way that basically you could walk to Vancouver and get it faster.

Fast-forward about 18 years, we now have most of the communities connected and over 98 percent of our homes are able to access high-speed Internet at an affordable rate. Of course, you can always argue with the affordable rate but, when you actually look at some of the rates down south, I think it's very reasonable and affordable.

The other aspect to that is, as I mentioned before, we had a fellow from Edmonton who can't get high-speed Internet in his home in Edmonton and he was absolutely horrified that you could go into some fairly tiny communities up here and get it with no trouble. The problem of course is that fibre optic link turns to microwave around Fort Nelson. We have a challenge there and we are well aware of the fact that it does stifle our economy in many ways. The information highway is a very big part of that.

I know people who, for instance, house their Web sites in southern Canada or in the United States because of the slowdown when they hit that microwave tower linking us to the rest of the world.

We still live in an age where a farmer digging a fencepost in Alberta can knock out the entire Yukon and knock out the entire Interac, bank cards and charge cards and everything else. We have to solve that particular problem right now.

One of our studies of Yukon homes showed that approximately 51 percent actually have high-speed Internet. It's nice to say that we have 98-percent penetration of access, but how many people actually have it? 51 percent in our studies have that. We finally introduced Blackberry service October 17, 2006. In November, there was Bell Latitude. I don't know whether we are joining civilization or ending civilization with Blackberry. I certainly enjoy using mine. On occasion, I have wanted to drive over it, but it does make life a lot easier as long as you know when to turn it off. That's the trick.

In terms of the overall thing with telecommunications, what are the other things we could do? Well, with high-speed and getting around the bottleneck it might mean we can bring anything up, from robotic surgery to live ultrasound and many other medical applications that might assist us in having better success in recruiting doctors. That is one possibility. We might have better success in Web hosting and Web design businesses. That's another possibility. We can see from watching television, for instance, the number of developments that are coming in terms of television that would be done by Internet. There is voice-over Internet protocol -- another thing that is rapidly moving up here. There is a wide range of things that can be developed by high-speed.

Again, Mr. Chair, I have to go back and look at reality every now and then. We are so happy with those statistics. I have to admit that when I changed my Internet connection over, I was so upset to find that I only had two megabyte per second speed. I was on a trip to Victoria and I was getting a speed in downtown Victoria, within sight of the Legislature, the equivalent of a 128 Kb modem. In other words, I could walk over to the building and back almost faster than I could get it on Internet. It was so bad, it was difficult to even move around on the Internet. That is in downtown Victoria.

So when you look at what we have in the Yukon right now, it's pretty impressive. And for what it costs us, it's pretty impressive. The problem becomes, of course, that our remoteness dictates that we should have that improvement. The analogy with Victoria loses its allure, to a degree, when you realize you can drive down the street and do business; sometimes you

can't do that here. You need that high-speed Internet in order to develop it.

So we're continuing to work with regulatory systems to push for more investment, more competitive choices. We're working with Northwestel to develop solutions to infrastructure challenges. I'm very pleased that Northwestel has chosen to get involved with the private sector council with the Pacific NorthWest Economic Region and in fact is helping us to co-chair a binational conference on telecommunications and challenges. So we're looking at those things in a wider range.

Again, are we going to be the ones to invest in it? Probably not; but it is our job to develop the business-ready case and to show what these benefits are going to do for the territory, and that is where our department comes in.

So, to that end, it is anticipated that finishing that fibre optic cable could cost in excess of \$10 million. We're aware that it's a very pricey little enterprise. Private sector is involved and has expressed an interest. The federal government has expressed its interest. Even Alaska kind of likes the idea of tying up through there. But we do have to look at all the various mechanisms. Do we go south through those existing corridors? Do we go over laterally and tie into the corridors that go down the coast and allow Alaska to have their high-speed? Is that losing some of the potential confidentiality of health records, for instance? These are all sorts of things that we have to look at.

So under the target investment program we've received \$75,000 to start the planning on fibre optics. The Government of Canada, again through the targeted investment program, or the TIP, is looking at a multi-year funding proposal that would result in about \$4 million in funding over that three-year period.

So we are looking at that whole thing in terms of telecommunications corridors. Of course, the thing you always have to be aware of in that business is that, by the time you finish planning what you should do, the technology may have moved on and is totally redundant anyway. I think I mentioned once before here a community college that I had some involvement with in Ontario in training technicians for electron microscopes, and the decision of the college was to buy four electron microscopes for the training and they bought them all the same. They put these poor kids through a wonderful two-year program to train them how to use this electron microscope that was completely outdated the day they graduated. So they were trained on something that was of very little use to the end-product people. This is all part of what we have to look at -- where these things sit.

That is sort of a long answer to the thing. Yes, these are the sorts of things we are looking at. It is a very, very important thing to be looking at.

Mr. Cardiff: I thank the minister for that long answer. What I understood from that is we are basically spending \$75,000 to look at fibre optics.

This is kind of a general question. I've worked in the private sector previously and I recognize the value of small- and medium-sized businesses to stimulate the economy and provide jobs here in the Yukon for Yukoners. At the same time Yukon-

ers do those businesses a service by providing them with labour and expertise and training that they have received.

When I look at the different funds that are available, given the government's emphasis on business and industry, and when you look at the budget documents, there appears to me to be a reduction in funds available in the business and trades. There is a 21-percent reduction.

It is not quite so big in regional economic development. Overall it is three percent, but that includes the community development fund, but regional economic development is down by 16 percent.

When it comes to the strategic industries fund, it's down by 35 percent in that area; overall is down by 31 percent. I'm just wondering what the rationale is, given the government says it's doing more to promote business and trade -- but when you look at the actual figures in the budget document, it wouldn't appear that way. I'm just wondering if the minister could fill us in on that.

Hon. Mr. Kenyon: For the member opposite, there's a little bit of confusion in his reading of this. He's looking at forecast projections for 2006-07 without considering that some of that will be revoted and appear in a supplementary. This is an ongoing thing. It's not the same dollar value or the same cheque that's moving down the line, but as projects are complete and sloughed into the next fiscal year, other projects will reappear and go into the fiscal year beyond that.

There's a pretty wide range of that. We are required to book funds that we have committed to but, in fact, the work might not be done until the next year. Two examples of that are corporate planning and economic policy -- 71 percent -- but the various planning components -- the financial, the market, the technical, the public analysis and a big part of the risk analysis -- of two large-scale projects that we've been talking about, the rail link and the port access study, were undertaken in 2005-06 and 2006-07, so the total contribution over that amount of time certainly added up, but those are done now. When you look at the overall plans, there is a significant reduction in that, only because it's finished.

There are a number of other areas like that that appear. In business and trade, there is a reduction of \$81,000. That is a decrease due to one-time enterprise trade fund projects that were revoted from 2005-06 to 2006-07, as they weren't completed. Again, they were put into last year but they were completed, so now they don't appear in this one. It looks like an \$81,000 reduction in what we did, but the reality is that the project was complete.

There is a \$470,000 reduction for Dana Naye Ventures business development program. That was funded in 2006-07 to the amount of \$670,000. That was based on the calculation of 85 percent of the amount of delinquent loans portfolio that is collected and remitted to the Department of Finance. \$200,000 is estimated to be required in 2007-08 based on anticipated loan recoveries. Again, that appears on one side, but we collected the loan and so now suddenly there is a drop.

There is an increase of \$200,000 required for the trade and investment program to action some of the items addressed in our investment action strategy. That was completed.

There is a decrease in a major infrastructure. The athletes village is going to have serious impacts, of course, on some of the funds that went into that from both here and from Yukon Housing Corporation and, I suspect, Community Services. The revolving loan capital to Dana Naye Ventures under the microloan program has been reduced. The loan capital of \$160,000 in the fund is now self-sustaining. So we aren't putting more money into it because it is sustaining itself on its own.

There are a wide variety of things, but I would suggest that the member opposite stay in general debate, and in line-by-line debate we would be happy to address the individual concerns.

Mr. Cardiff: That is why I did it the way I did it. It was covering many of the funds as opposed to getting into each one specifically. It was an overall question. It was the minister who chose to go into line-by-line and explain it line by line. I didn't even mention the 71 percent in corporate planning and economic policy because I understood there were two projects wrapped up there.

I have a few more questions. I believe that, in the spirit of cooperation -- we are cooperating on this side -- we are going to ask questions and go back and forth a little bit here.

I would like to spend a little bit of time asking the minister about the Department of Economic Development. The Department of Economic Development had some involvement in developing a business case for the Dawson City bridge. It had some involvement looking at public-private partnerships on that project. It is my understanding that the design of the bridge -- all the engineering and so on -- is complete, and the project would be ready to go if there was a proponent with \$50 million, or whatever the figure is to build that bridge. I am wondering what the Department of Economic Development is doing on that front.

Are they looking for proponents to get involved in a public-private partnership on what should be public infrastructure? Now that we have a project that is designed, engineered and ready to go, what is the Department of Economic Development doing with that information?

Hon. Mr. Kenyon: What we're doing with the information, having presented the business case, is that we have turned it over to the Department of Highways and Public Works, which is our procuring arm. I would suggest that the question be turned to them. We have done our work in showing the business case and what costs would be.

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

Recess

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

Mr. Cardiff: Prior to the break, I was asking the minister about the Dawson City bridge and what they were doing there, and I appreciate the minister's answer. It sounds like

maybe the Department of Economic Development isn't doing anything on that file any more, and I suppose that's fine.

I'd like to ask the minister, though -- because what I raised was the spectre of public/private partnerships. I'd like to ask the minister what the current relationship is with Partnerships B.C. around working with Partnerships B.C. to explore public/private partnerships.

I'm sure that it's no secret to the minister that we in the third party have some serious concerns about public/private partnerships and the benefits they bring to Yukon citizens. Often they actually benefit the private partners more than they do public government or the public.

I'd be interested in knowing what the current relationship is with Partnerships B.C.

Hon. Mr. Kenyon: We of course worked with Partnerships B.C. in the past and the chances are pretty good, I suppose, that we will in the future but, at the moment, we have no projects ongoing whatsoever.

Mr. Cardiff: I'd like to ask the minister -- you know, often it is amazing: here we are in the Legislature asking questions about things that affect the everyday lives of Yukoners and we are expecting the government to provide information, and often we can find more information outside of the Yukon than we can in the Yukon.

I'm going to just make note of something that happened. I don't know if the current minister was the minister at the time but, back a couple of years ago, there was a dinner hosted by Partnerships B.C. in Vancouver and the bill was close to \$1,600 for a group of about 17 people.

It was attended by the Deputy Minister of Economic Development for the Yukon. I am just curious as to whether it is common practice that the Government of Yukon attends functions like this and allows this? We have to think about what Partnerships B.C. is all about. Partnerships B.C. is all about promoting public/private partnerships. As I said earlier, we have some serious reservations about public/private partnerships and the benefits that would accrue to citizens of the Yukon. Many times, they lead to lower standards similar to agreements like NAFTA.

The point I want to make is that here the Yukon government is attending a dinner hosted by Partnerships B.C. and we are not paying our own way there. We are dining on their dollar and, in return for that, I expect that they expect to do business here in Yukon.

I'm just wondering if the minister feels that it's appropriate that the Department of Economic Development is attending dinners like that and we're not paying our own way.

Hon. Mr. Kenyon: What I hear the member opposite saying is that Yukon should not attend any conferences, informational meetings or provincial, territorial or federal meetings. I understand that the meeting that he refers to was a western meeting that involved people from Alberta, British Columbia, Yukon and many other jurisdictions. It was in fact a much longer meeting involving many other things.

In comparison to that \$1,600 dinner, for instance, the Government of Yukon spent \$70,000 toward the Northern Development Ministers Forum, which brought all the northern devel-

opment ministers from across Canada, as well as federal officials and a variety of deputy ministers and assistant deputy ministers, et cetera, to the Yukon. There was a dinner involved I'm sure in that one, as there often is in these things, but certainly hotel, travel, accommodation and incidentals -- all the various things -- are covered by each jurisdiction and we're covered by our government. To not attend these things would then isolate us in terms of getting exposure to other jurisdictions and what the best practices are. I'm sure if the member opposite sort of thinks this one through, this is very much a normal thing and now it occurs under the Liberal government, as it occurred under the NDP government. Often the big ones are called federal, provincial, territorial, or FPT, meetings and we take turns hosting them. As for the Northern Development Ministers Forum, it happened to be the Yukon's turn to host in that particular case. The year before it was in The Pas, Manitoba; the year before that it was in Chibougamou, Quebec. The jurisdictions take turns on that.

I know that the western directors of special education for the Department of Education just concluded meetings in Winnipeg. It was Winnipeg's turn to physically host the meeting, and Yukon's turn to do much of the presentations there.

I am not sure where the member opposite wants to go on this. I will let him go there. I hope what I don't hear him saying is that Yukon should isolate itself and not do business with other jurisdictions. It's difficult when you look at maybe \$100 toward a dinner in Newfoundland and a cost of \$4,000 to get there. That's a decision -- most frequently a bureaucratic decision. I have every faith in our staff and our deputy, who made the determination, I think, quite accurately, that it was a very valuable meeting to have gone to and it was a very, very good investment of time and money.

Mr. Cardiff: I am not suggesting that we shouldn't be attending meetings. I think there is a question here about whether we should be paying for our own dinners. This wasn't a meeting of trade ministers or something like that. It wasn't a conference; it was a dinner. It was hosted by Partnerships B.C. The taxpayers of British Columbia ended up paying for this because the CEO of Partnerships B.C., who, incidentally, makes a half-million dollars a year, claimed it as an expense. So the taxpayers of B.C. ended up footing the bill. This wasn't a government conference.

I'm just wondering whether or not the Yukon government should be accepting freebies, basically, from companies or corporations that stand to gain from doing business in the Yukon. That's the question. I'd like the minister to answer that question. Does the minister feel that it's acceptable for the Yukon government officials to accept freebies from companies or corporations that stand to gain if they do business in the Yukon?

Hon. Mr. Kenyon: Again, I really hope I'm not hearing the member right.

It was not a freebie; it was a P3 interjurisdictional conference, at which the Yukon was one among many that presented our point of view and our projects. A great deal is learned at that sort of thing.

Again, it comes about in terms of where the meetings are. As I say, we paid \$70,000 toward the northern development

ministers meetings. That might seem high but, on the other hand, each jurisdiction, as it changes, would pay similar amounts.

As I say, I hope the member opposite isn't disappointed about attending the lunch reception for our Youth Parliament. I watched him have coffee and a doughnut. I hope he's not disappointed that I didn't send him a bill for it.

This is part of business, and I think for anyone who works in business or in government, this is something that happens in a sharing sort of relationship. We have had a number of people come up here that we want to attract to the Yukon, and we get them out to a mine to look around. We don't hand them a bill for it because the chances are pretty good that they wouldn't be coming up here to do business if we tried to do that.

We don't get together every time and try to divvy up the cheque at the end of the meal. But when five or 10 jurisdictions come together to have a good evaluation of what's going on, then, again, it's a real good investment.

A good example of that, for instance, is my last trip to Ottawa. The way PNWER often works is we will host a reception for the jurisdiction -- we host it -- and then we have a dinner afterwards. The idea is that if there are any concerns or any things that are developing, you have the opportunity to invite people to stay for the dinner and talk in more detail. Business is done at these dinners.

For instance, in that particular case, we got into quite a long and involved discussion of what was happening with one particular fund from Ottawa and the Parliamentary Secretary of DIAND joined us for dinner. More was accomplished during that dinner than I would have ever accomplished in any kind of meeting. It was a good investment.

In fact it ended up with the person coming to the Yukon and dealing with the problems that we have been trying to get through to that department in detail for a long time, and we actually had some success with that.

So, in terms of paying your own way for many things, I would tend to agree with the member opposite, but to think that you are going to have an interjurisdictional conference involving multiple jurisdictions and multiple provinces and territories and then have everyone sit down and divvy up the bill is just not the way to work. You would isolate yourself very quickly with that attitude.

Mr. Cardiff: I just have to put on record that to compare this dinner to the lunch for the Youth Parliament is totally ludicrous. We are talking about 13 bottles of wine consumed as well as other liquor and mineral water. It is not the same as the Youth Parliament. The Youth Parliament is hardly a big business or a corporation or company that stands to benefit from doing business in the Yukon financially. Hopefully we are making good, sound decisions for those youth parliamentarians who were here. It was great to watch them and to listen to them debate here in the Legislature, but to compare the two is just not on for me. I don't see the correlation at all.

The question was whether or not it is acceptable to accept freebies from corporations and companies. I'm going to stand down. I'll listen to the minister's response and turn it over the members of the Official Opposition.

Just so the minister knows, I will be returning to the discussions around Economic Development at a later time.

Hon. Mr. Kenyon: I wonder, since the member opposite seems to have bills and such in front of him, if he could give me the date of that, since the deputy minister was actually down there three times. I would like to know which one he is talking about.

For the record, Mr. Chair, I'm sorry to sit here and chuckle while he is chatting, but having known my deputy minister for three years, I have never known him to take a drink of alcohol. His 13 or 16 bottles of wine or whatever is actually rather humorous.

Mr. Mitchell: For the record, the only bill I have in front of me is Bill No. 6, which is the bill that we're debating here.

I do have some follow-up questions regarding the long-awaited rail study, which I gather, from some answers we have heard today, is complete but is currently in a holding pattern, awaiting the possible arrival of Governor Palin.

I just want to get some idea of the minister's thoughts on the value of this study. It is my understanding from many comments the minister has made both in and out of this Legislative Assembly in the past that the purpose of the study -- or certainly a hoped-for goal -- is to see the private sector being able to make informed decisions about the possible investment in an Alaska-Canada rail link. I am wondering if that is something the minister sees as possible, as we continue to not release the study.

Hon. Mr. Kenyon: With two jurisdictions and input from many other jurisdictions, it is common courtesy to allow both jurisdictions to jointly present something. While I do share his frustration to a degree, it is only common courtesy that we allow reasonable consultation and then table the document.

The member knows full well -- I hope I'm not hearing the member say that we should ignore common courtesy and simply jump the queue with this. The rail study itself, of course, has huge implications for the Yukon in terms of everything from resource extraction to re-supply to Alaska, re-supply to here, tourism, and on and on. We can keep going on about what this rail would have in terms of market and economic components and applications for the Yukon. I believe it will show that there certainly is a business case for the construction of this railway and there is very, very good long-term planning.

I heard the member opposite in debate the other day, at least while they were still here, saying that we should do long-term planning and look at things in the long term constantly. That's part of what this is. It's difficult to say that you want to see long-term planning and, in fact, demand it, and then turn around and be critical of it. There is a bit of a dichotomy here.

Mr. Mitchell: Well, first of all, I will correct the minister: I don't think we share the same frustration because presumably the minister has already read the study and has, of course, had access to it. It's not only port and rail access, but it's ministerial access. On this side, we haven't had access to the study, so I think our frustration, rather than being the same as the minister's, would be the public's frustration in being told over several years how important this is but not having an op-

portunity to have access to it. It may be a parallel frustration, but it's a different one.

Now, I appreciate the reference to common courtesy. The minister indicated that there was money spent on both sides of the border on this study. Obviously, if there is a partnership, then one would hope to jointly release it. I guess the concern I have is that we may not be on the same path as our neighbours in Alaska at this point on this particular study.

I know there was an article in the *Alaska Journal of Commerce* on February 18 of this year. In that article, Governor Palin is quoted as saying, however, that a rail project in Canada is not on the front burner: "While the Alaska railroad is an important part of the infrastructure in Alaska, a line to Canada is not a priority project for my administration at this time," Palin said in an e-mail. However, as we evaluate and choose gas line proposals, if Canada is the route, it will become more crucial to work with Canadians on developing a rail belt to help transport goods and services in the construction of a gas line."

So in public statements the Governor of Alaska, the current Governor of Alaska, has indicated that perhaps if there was a decision made on a gas project, and if that decision was that the project was coming down this direction -- down the Alaska Highway -- then perhaps she might have greater interest in it but, in the meantime, it is not a priority for her administration. Is it perhaps that the minister and the Premier are endeavouring to convince their partner to see their view of the importance of this potential project and that the constant delays are because they haven't yet been able to convince Governor Palin to see it that way and that is why we are not getting this released? There is a difference, I would suggest, between common courtesy and simply finding out that you are sitting on the side of the dance hall and nobody is asking you to dance.

Hon. Mr. Kenyon: Thank you, Mr. Chair. I won't even begin to get into comments about ascribing to motives and everything else, which we are getting rather used to on this side of the House from this member. I do, however, ask the Chair to rule on one thing. The member opposite has read extensively from a document. I ask him to table that, and I ask him to table that in its entirety, not just a small part of it.

Mr. Mitchell: I'd like to table the document for the member opposite. I'm sure the member has read it. What I have in front of me is a marked-up version so I will be happy to bring a clean version to the House of the printout of the article.

Hon. Mr. Kenyon: Good. I will expect that to be tabled in its entirety, because it's certainly quite different from what the governor tells us. If the member opposite has personal information, I'm sure he would be most anxious to share it, but reading third party articles is probably not relevant to the discussion. I will hold comment on that until I am able to read it and digest it.

Mr. Mitchell: We were promised by this minister -- late last year I think, when the Member from Porter Creek South asked questions about the rail study and the port study -- that we would see those documents early in the new year once the decision on the joint release was made between the two jurisdictions -- I think there was some reference made to February. But in any case, that was the port study -- it was said in

December in this Legislature that it would be early in the new year. We're now into May, which is not early by most people's definition, and unfortunately Governor Palin hasn't been here yet and we haven't heard from her directly, although the minister indicates that he has heard enthusiastic reports from her or has heard a different view of it. I would love to hear those reports. Nevertheless, it's an Alaska article that talks about it and, yes, we are making reference to an article so we'll provide a copy.

I would suspect that if Alaska wanted to release a rail study or some other joint project, and Yukon dragged its feet and simply did not agree to a meeting, a date, or to accommodate, but Alaska had spent considerable money on a study, I would think that Alaska would not simply allow Yukon to veto the release perpetually.

Why is the minister allowing Alaska to prevent the release of a study that he has actively promoted in 2005-06 as being very important and having tremendous potential benefits? How long is the minister prepared to wait before he will decide to make public a document that is the result of the expenditure of considerable Yukon taxpayer funds?

Hon. Mr. Kenyon: There are a number of things I can say to that. Again, there is a management committee and such consisting of a variety of people, including the Premier and the governor, who control that interest. It is interesting that the member opposite seems to have such graphic information on how the Alaska Legislature would function.

Some Hon. Member: (Inaudible)

Point of order

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

Hon. Mr. Kenyon: I do have to again express my extreme concern about the member opposite as a point of order. He has said that I promised -- and this is the quote, I am sure, that will appear in *Hansard* -- that this would be tabled earlier. I would like him to table that from *Hansard*, because I never promised that. It is not a term that you can simply throw out and then claim. It is not simply a term you can throw out that the Yukon Housing Corporation has varied its own rules. I have asked him to table that and he has declined.

Chair's ruling

Chair: There is no point of order. It is a dispute between members.

Hon. Mr. Kenyon: Thank you, Mr. Chair. I ask again the member to table something in *Hansard* that shows that I made such a promise. I still challenge him to table the information about Yukon Housing Corporation that he claimed the other day.

We cannot deal with partial documents and partial ideas and throw things out like that in this House. This House deals with facts. I would certainly prefer to deal on that basis.

Common courtesy dictates that the study was done jointly. We will extend that courtesy. What I am hearing from the member opposite is that, if he were in government, he would not extend that courtesy, that he would jump the gun. What a

marvellous way to get along with one's neighbours, Mr. Chair. This is not the way to do it.

Mr. Mitchell: Since we are speaking of common courtesy, I would point out that we are trying to ask questions on this side. We are not getting answers. We are getting a little bit of gamesmanship, trying to suggest that we are using the incorrect word or we are nitpicking.

The minister has said on many occasions that he would expect the documents to be available early in the new year. It would be a safe bet, and so forth. If he has not used the word "promise", then I will correct that for the record. He has certainly said that he expects it and that it would be a safe bet. I think he has made other similar comments in here in response to questions.

Without getting into a long debate -- and I might also point out that I did not suggest what the policy of the Alaska Legislature would be. I said that I'd be surprised if they were to give Yukon a veto.

But I'm asking again -- and I'll just ask the question and the minister can answer or not. We'll ask it until we get an answer. When does the minister expect that he will be able to release this study to the public?

Now, that's just a very straightforward question: when does he expect that he can release it? Does he expect to release it in May? Does he expect to release it in June? Does he expect to release it up to or prior to June 14, when this Legislature will be sitting? Or, does he expect to release it in July? There are three possible dates.

Hon. Mr. Kenyon: For the member opposite, I'd like to give him the fourth possible date and the reality: it is an intergovernmental protocol. This government respects intergovernmental protocol; we respect our neighbours; we respect our agreements -- we deal with fact.

The member opposite seems to have a problem with that. I'm sorry. I can't give a better date. It is an intergovernmental protocol. We will release it as soon as we possibly can.

Mr. Mitchell: I'll ask the question a different way then, since it's an intergovernmental protocol. If there is no concurrence by the Government of Alaska to release the rail study -- and the port study, for that matter -- will the minister release the studies so that Yukoners and indeed the private sector can gain whatever benefit there is from reading them?

Hon. Mr. Kenyon: For the member opposite again, this is an intergovernmental protocol. We respect our commitments. What I hear the member opposite saying is that he wouldn't, and I find that troubling.

Mr. Mitchell: Well, the minister can find whatever he thinks he's hearing troubling. He has not once heard us say what we would do. We're asking him what he's going to do. So I'll ask again: does the minister have any plans to release the rail study? Does the minister have any plans to release the port study, if there is no concurrence from the Government of Alaska?

Hon. Mr. Kenyon: I certainly expect concurrence. I don't have any way of predicting timing, but I expect concurrence and I expect it will be released when the terms of that intergovernmental protocol have been met. Our government

respects its agreements. I can't deal with someone who says they might do otherwise.

Mr. Mitchell: In responding to the minister's previous request, I have three copies for filing, printed off the Internet by our very capable staff, of the article to which I referred entitled, *Mining potential could justify Alaska-Canada rail link*, from which I have quoted in full the remark by Governor Palin that they have on the first page of this article. I will just present those.

In case the minister hasn't had an opportunity to read that particular article, he can look at it now. I will point out to the minister that the amount of quotation in the article of Governor Palin is the decision by the author of the article, not by myself or any other member. If the governor had more to say, then we would love to hear it, but that's the quotation from that particular article.

I would like to ask a question about something else that was discussed a little earlier, about the \$200,000 grant to Minto Explorations to investigate the possible expansion of their ore body. I am wondering if the minister can tell us if there is a particular policy that leads to this sort of grant.

Hon. Mr. Kenyon: It is not a grant, it is a contribution agreement. As I explained before, it is a contribution agreement with Minto mines. I believe, rather than dig out the amounts, they are in *Hansard* from earlier in this debate. What that does is allow exploration and the business-ready case for the resources that lie outside of the individual actual mine area. They have raised money for the defined mine area that cannot be used for extension of the research on the resources, or whatever. This is all in direct benefit of the Selkirk First Nation. It will potentially enlarge the size of the mine and lengthen the amount of time that the mine is in production.

It's very, very good news for the Selkirk First Nation and for that whole area of Pelly Crossing. I invite the member opposite to have a chat with his colleague from Mayo-Tatchun on the benefits that will accrue in that area.

Mr. Mitchell: I have had that conversation with the Member for Mayo-Tatchun and I am not criticizing or asking whether or not it may be beneficial, but rather I was asking -- and thank you to the minister for saying it is a contribution agreement -- whether this contribution agreement is the result of a particular policy and if the minister could refer us to that policy. What I am curious about is this: is this funding available to all mining companies that may be interested in expanding their ore bodies? We know that we have a diminishing ore body, for example, at Cantung. We also know that the same company is hoping to extend their minable resources long enough to bring Mactung into production.

There are many other companies in the Yukon that have ore bodies that they believe they have defined, but the potential is to expand them. The question: is there a particular policy, because other companies may want to know how they can avail themselves of it, or is it a one-off? How does this come to be?

Hon. Mr. Kenyon: The contribution agreement was to look at the outside areas and such. It came about under the strategic industries development fund, which I believe is one of the documents the member had in his hand a moment ago, so he

does have the information, but in case he wants it explained to him a bit more succinctly, the strategic industries development fund supports our commitment to foster the development of Yukon's sustainable and competitive advantages by funding strategic projects and initiatives that create secondary spinoffs. The portfolio of projects funded by this is maturing rapidly. We have 14 new projects that have been approved for funding in the fiscal year 2006-07, and totalling that is \$1.17 million.

This is compared to funding of \$970,000 in the fiscal year 2005-06, and \$501,000 in fiscal year 2004-05. It is an indication of how some of these projects are coming to fruition.

Since the inception of the fund, once the Department of Economic Development was reconstituted after its untimely demise under the previous Liberal government, we have approved \$2.641 million over 52 projects across the territory. The proponents are eligible for funding for project planning from the concept development stage through to commercialization. Promotions and proposals can be submitted to the strategic industries branch at any time during the year. There is no set time or intake on that.

In the capital budget of 2007-08, which we are making every effort to debate here, is \$1 million, of which \$800,000 is for contribution agreements.

The types of businesses and organizations, for the member opposite, are Yukon businesses as defined by Yukon government contracting directives, and which are registered with corporate affairs; Yukon First Nation development agencies, whether structured as a corporation or a trust; and businesses relating to organizations, either for profit or non-profit. Non-profits have to be registered under the *Societies Act*, be in good standing or have been created under other legislative authority.

Tier 1 is up to \$100,000. The senior business advisor will work with the proponent prior to submission of the proposal to develop a statement of work and cost sharing, which will form part of the proposal. The approval authority will be with the Director of Strategic Industries branch or the Deputy Minister, Department of Economic Development, within their respective signing authorities, which are determined by the *Financial Administration Act*.

Tier 2 funding, which is up to \$500,000, sees the senior business advisor working with the proponent to develop a strategic project economic assessment on which to base the proposed cost-share of the proposal. An advisory committee will make recommendations to the Minister of Economic Development for approval on tier 2 funding.

It will be an advisory committee -- since the member opposite asked part of that question -- with sector experience. A very important part of that is that it is established as required. The committee is comprised of two private sector representatives that are representative of the types of projects under review and two public service representatives.

I would point out for the member opposite that there are no politicians on that list. It's not a political decision; it's an economic decision.

Mr. Mitchell: I thank the minister for that. Since the minister has made quite a point about being factually correct, I would just point out that I didn't have that document in front of

me. That was not among the documents I had, or I wouldn't have bothered to ask the question. But I appreciate the minister answering the question.

Again, are there a number of other mining companies that have applied, either under tier 1 or tier 2, and what is the status of those applications? Are there any other pending announcements currently under this policy?

Hon. Mr. Kenyon: Well, without repeating the statistics that I just went through, there are a number of dollar values and a number of different projects that are going through on that.

One of the things in terms of investment attraction that we have to look at is marketing -- not only the business analysis and everything else. It involves a wide variety of ways. I recognize that, obviously, the member opposite didn't have that document in his hand.

I suffer, like the Member for Mount Lorne, from relatively poor eyesight, so my apologies. I couldn't read it from this side, either.

But we have committed in a number of different ways to investigate these things. For instance, there is the new Web site, www.investyukon.com. We launched that in February 2007, in conjunction with the national marketing campaign and the start of the Canada Winter Games.

The site has basically received very positive reviews from viewers, and a steady stream of requests for more information about investment and employment opportunities in the Yukon. That's the primary goal of the Web site and the primary goal of stimulating the economy of course.

That's just one element of a creative platform that will be used to promote economic development in the Yukon, aimed at attracting new investment dollars with the variety of programs, be it strategic industries, regional or business and trade.

The Web site that I refer to provides potential investors with information about key economic sectors in the Yukon and features specific information on Yukon's infrastructure, transportation, business climate, labour market and lifestyle.

However, Economic Development is not simply looking for Outside investment to support our territory's economic growth. The government is also continuing our work to support the growth of Yukon business activity by investing, for instance, \$600,000 into the enterprise trade fund this year. It's another close relative of strategic industries and it has often been used in conjunction with strategic industries, and blended together to maximize the effect of doing a proper business analysis.

We have to have that focus on business planning and development activities and the enterprise trade fund program supports marketing and export projects that enhance the likelihood of Yukon businesses generating increased production and sales of Yukon products, be it value-added, minerals, or anything related.

Thereby we would have to further diversify and expand our economy and enable job creation. That is what the contribution to Minto Exploration is really for -- to enlarge that base outside the terms of the current mine and to allow them to develop that in a more timely manner.

The department maintains ongoing consultation with key industry stakeholders to help Yukon businesses develop and maintain a competitive advantage in external markets and to help raise the profile of Yukon business and industry and, of course, products and services in general.

Since the inception of the enterprise trade fund in August 2004, \$1.35 million has provided valuable funding for the support, even within that structure for smaller projects, of 183 applications. To ensure that Yukon communities and First Nations receive the full benefit from the economic activity in their areas, we are also investing a further \$450,000 in the regional economic development fund.

The regional economic development fund provides funding to foster specifically regional and community economic development.

The fund was established in recognition of the need for effective coordination of planning and economic development efforts by all parties with regional economic interests.

Perhaps that is a good point, Mr. Chair. Seeing the time, I move that we report progress.

Chair: It has been moved by Mr. Kenyon that we report progress.

Motion agreed to

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

Chair: It has been moved by Mr. Cathers that the Speaker do now resume the Chair.

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

May the House have a report from the Chair of Committee of the Whole?

Chair's report

Mr. Nordick: Mr. Speaker, Committee of the Whole has considered Bill No. 6, entitled *First Appropriation Act, 2007-08*, and directed me to report progress on it.

There was a question of privilege raised in Committee of the Whole.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

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

The House adjourned at 5:30 p.m.