

**Yukon Legislative Assembly
Whitehorse, Yukon
Monday, October 18, 2010 – 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 Persons Day

Hon. Ms. Horne: I rise on behalf of the House in commemoration of Persons Day, October 18.

In 1918, the *Women's Franchise Act* gave the federal vote to every woman in Canada over the age of 21 who was a British subject. Because the *British North America Act* of 1867 used the word "persons" when it referred to more than one person, and the word "he" when it referred to one person, many argued the act was really saying that only a man could be a person, thus preventing women from participating fully in politics or affairs of state.

In response to women's groups requesting the Prime Minister to appoint women to the Senate, two prime ministers claimed that they could not unless the *British North America Act* was modified. The preferred Senate candidate of national women's groups, Emily Murphy was a magistrate whose actions had been challenged on the grounds that she was not a person under the BNA act. Along with four prominent women activists Nellie McClung, Louise McKinney, Irene Parlby and Henrietta Muir Edwards Judge Murphy persuaded the government to direct the Supreme Court to rule on whether women were indeed persons. In 1927, Emily Murphy, Henrietta Muir Edwards, Nellie McClung, Louise McKinney and Irene Parlby asked the Supreme Court of Canada to declare that women were indeed persons under the meaning of the *British North America Act*, and therefore eligible to be appointed to the Senate. The court said no. The Famous Five appealed the ruling to the Privy Council of England.

Eight years after the campaign began, the Judicial Committee of the Privy Council in England, then the Canadian Supreme Court, ruled in the women's favour.

On October 18, 1929, the Privy Council overruled the Supreme Court of Canada saying "...the exclusion of women from all public offices is a relic of days more barbarous than ours." Some women — but not all — became persons under the 1929 ruling. Many women, including First Nations, remained ineligible because of their ethnic background, and the First Nations women are still fighting in a lot of causes to be recognized. Some women could not vote until 1960. The Famous Five achieved not only the right for women to serve in the Senate, but they and their many contributions paved the way for women to participate in other aspects of public life.

The determination and dedication of these remarkable Famous Five women is honoured annually by the Governor General's awards in commemoration of the "persons case". I know all of us in this Chamber, and two of us in particular, are deeply appreciative of their efforts. Günilschish, Mr. Speaker.

In recognition of Small Business Week

Hon. Mr. Kenyon: I rise today to pay tribute to Small Business Week, which runs from October 17 to 23 this year. Small Business Week is a national initiative led by the Business Development Bank of Canada, in cooperation with the Canadian Chamber of Commerce with the support of national and local sponsors, and pays tribute to the accomplishments of the owners and managers of small- and medium-sized enterprises. Small- and medium-sized enterprises constitute the majority of Yukon's business establishments. This sector is Yukon's largest private sector employer and includes everything from professional, scientific and technical services to retail trade, construction, accommodation, food and other services.

Thirty-six percent of working Yukoners are employed by firms with less than 50 employees and an additional 27 percent are employed by businesses with 50 to 100 workers. All told, the small- and medium-sized enterprise sector in the Yukon accounts for approximately 63 percent of private sector employment.

Small Business Week pays tribute to the hard work and dedication that entrepreneurs across the territory put into their businesses. Managing a small business is often a rewarding experience, yet one that is not without its challenges. The economy is recovering. The entrepreneurs are gearing up to seize new opportunities.

The theme of Small Business Week 2010 is "Power Up your Business. Invest. Innovate. Grow." It reflects the opportunities and challenges facing entrepreneurs as the economy builds steam. It's a chance for a fresh start with a re-energized approach to doing business. Small Business Week is our opportunity to celebrate small business, and it is also an opportunity for small business to reflect on the issues important to the future of their business and our economy. Thank you, Mr. Speaker.

Mr. Inverarity: I rise today on behalf of the Official Opposition and the Third Party to pay tribute to Small Business Week also, Mr. Speaker. This week provides an opportunity to acknowledge the outstanding contributions of our small businesses to the country's economy. This year's theme is "Power Up your Business. Invest. Innovate. Grow."

There are over one million small businesses across Canada today that employ almost half of our private sector workforce. Canada has one of the highest rates among industrialized countries of small businesses entering into the marketplace. Approximately 130,000 new small businesses are created annually.

Small- and medium-size enterprises are the foundation of our economy, because they account for 98 percent of all business in Canada.

Three-quarters of the small- and medium-size enterprises operate in the service industries, while one-quarter are in the goods-producing sector. Creativity and innovation are two important drivers of a successful small business.

In 2003, the Yukon Bureau of Statistics had a survey that revealed a high diversity of business in the Yukon. In many cases, this was linked to the strong growth in professional and technical areas, as well as tourism. Whitehorse is home to the majority of small businesses, although Dawson, Watson Lake and Haines Junction also have a sizable number, with a smaller number of firms in other communities.

These many small business entrepreneurs contribute to our economy. They offer employment, service, and add to the quality of life for Yukoners. We would like to thank all our small business entrepreneurs for making the Yukon their home. You have greatly contributed to our economy. We wish you continued success in all your future endeavours.

Speaker: Are there any further tributes?
Introduction of visitors.
Returns or documents for tabling.
Are there any reports of committees?
Any petitions?
Any bills to be introduced?
Any notices of motion?

NOTICES OF MOTION

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

THAT this House urges the minister responsible for Yukon Hospital Corporation to read all minutes of the Yukon Hospital Corporation in a timely manner in order to be fully apprised of items which may require the minister's attention, including:

- (1) budget constraints;
- (2) programming constraints; and
- (3) policy constraints.

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

THAT this House urges the minister responsible for the Yukon Development Corporation to read all minutes of the Yukon Development Corporation in a timely manner in order to be fully apprised of items which may require the minister's attention, including:

- (1) budget constraints;
- (2) programming constraints; and
- (3) policy constraints.

I also give notice of the following motion:

THAT this House urges the minister responsible for the Yukon Energy Corporation to read all minutes of the Yukon Energy Corporation in a timely manner in order to be fully apprised of items which may require the minister's attention, including:

- (1) budget constraints;
- (2) programming constraints; and
- (3) policy constraints.

I also give notice of the following motion:

THAT this House urges the minister responsible for the Yukon Housing Corporation to read all minutes of the Yukon Housing Corporation in a timely manner in order to be fully apprised of items that may require the minister's attention, including:

- (1) budget constraints;
- (2) programming constraints; and
- (3) policy constraints.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to create a letter of expectation for the Yukon Housing Corporation along the same lines as the existing letter of expectation for the Yukon Development Corporation.

I also give notice of the following motion for the production of papers:

THAT this House do issue an order for the return of the documents referenced by the minister responsible for the Yukon Energy Corporation during Question Period on Thursday, October 14, 2010, in response to my question pertaining to the \$275,000 in consulting contracts associated with his secret attempt to privatize Yukon's energy future when he said the member has already presented all of these so-called documents.

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

THAT this House urges the minister responsible for the Yukon Workers' Compensation Health and Safety Board to read all minutes of the Yukon Workers' Compensation Health and Safety Board in a timely manner in order to be fully apprised of the items that may require the minister's attention, including:

- (1) budget constraints;
- (2) programming constraints; and
- (3) policy constraints.

Mr. Inverarity: I rise to give notice of the following motion:

THAT this House urges the minister responsible for the Yukon Liquor Corporation to read all minutes of the Yukon Liquor Corporation in a timely manner in order to be fully apprised of items that may require the minister's attention, including:

- (1) budget constraints;
- (2) programming constraints; and
- (3) policy constraints.

I would also like to give notice of the following motion:

THAT this House urges the minister responsible for the Yukon Lottery Commission to read all minutes of the Yukon Lottery Commission in a timely manner in order to be fully apprised of items that may require the minister's attention, including:

- (1) budget constraints;
- (2) programming constraints; and
- (3) policy constraints.

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: Kwanlin Dun child welfare

Mr. Mitchell: Mr. Speaker, I have questions for the Minister of Health. Last week, the Chief of the Kwanlin Dun First Nation banned Government of Yukon social workers from Kwanlin Dun land. This set in motion a potentially dangerous situation where the Government of Yukon may try to apprehend a child and the response of the First Nation is unknown. It has put Government of Yukon social workers in a tough spot, and it demonstrates that the level of frustration within Kwanlin Dun leadership is running very high.

The minister was trying to set up a meeting with the Chief of Kwanlin Dun last week. Has that meeting taken place and, if so, what progress has been made?

Hon. Mr. Hart: We have been trying on several occasions to make contact with the Chief of the Kwanlin Dun. We have been advised he is ill, so we are still endeavouring to make our connections with the First Nation to ascertain their concerns with regard to the child question, as well as dealing with our staff.

Mr. Mitchell: Last week the territory's new child advocate said he was prepared to wait until the end of the week before deciding whether or not his office would officially become involved in this unfortunate situation. Again, we are concerned about workers who may be put into dangerous situations, and we are concerned about the safety of children while this issue remains unresolved.

Has the minister asked the Yukon's child advocate to try to help reach a solution?

Hon. Mr. Hart: For the member opposite as well as all other colleagues within the Legislative Assembly, the concern of all of our staff in dealing with the children who require our assistance — it is something that we take very dear to heart. We will look after all children who need our assistance and come under the act. We will take every precaution to ensure that our staff is protected if we indeed have to go in there and deal with the situation. However, as I stated previously, we are endeavouring to make contact with the First Nation to try to alleviate a situation ahead of time.

Mr. Mitchell: I don't think I got an answer to that question, but we'll try again. When the Government of Yukon passed the new *Children's Act*, the galleries of this Chamber were filled with Yukon First Nation leaders who were not satisfied with the new legislation. At the time, we urged both the minister and the Premier to listen to the concerns of those First Nation leaders before going ahead with the new act. The government chose not to listen. It is clear from the current situation the frustration level in some First Nation communities has not subsided since the new act was passed. What efforts has this government made since the legislation was passed to work with First Nations that did not support the new legislation in order to avoid this kind of problem?

Hon. Mr. Hart: I will just reiterate what I indicated previously on this question as well as on a previous day. The government is looking after the safety of the children. That is utmost in our minds. We will go to any means to ensure the safety of the children, and we will also go through whatever is required to ensure the safety of our workers and our employees in dealing with the situation of a child.

We will work through the process. As I stated previously to the member opposite, we are endeavouring to contact the Kwanlin Dun on this issue to try to alleviate the situation, to get their concerns out so that we can find out what has triggered this particular opposition to our employees coming on to their land. To date we have not been successful in doing so, but we will continue to follow up, and we will endeavour to do what we can to ensure the safety of the children on Kwanlin Dun lands as well as our employees.

Question re: Group home client supervision

Mr. Mitchell: Mr. Speaker, I have another question for the Minister of Health and Social Services. Last Thursday there was a very disturbing incident at the Canada Games Centre involving a young girl from a local elementary school. According to media reports, the girl narrowly escaped a sexual assault.

The Canada Games Centre manager confirmed an individual was arrested and that individual was visiting the centre from a Government of Yukon group home with a case worker. The person who was arrested obviously became separated from their case worker.

Is the minister aware of this incident and can he confirm if all Yukon government procedures were properly followed?

Hon. Mr. Hart: Obviously, we aren't able to make any comments on this situation as the matter is before the courts and we will await the review that comes from the same.

Mr. Mitchell: Yukoners sending their children to the Canada Games Centre want to know the place is safe. That is why we are raising this question. There was almost a sexual assault at the centre last week and we want to know if the proper precautions are in place to ensure something like this doesn't happen again.

The man who was arrested last week was visiting the centre from a Government of Yukon group home. He was supposed to be supervised during the visit. Obviously there was some sort of breakdown in the system.

Has the minister launched a review of this incident to ensure all procedures were properly followed?

Hon. Mr. Hart: We're acutely aware of the situation that happened last week with regard to a young lady at the Canada Games Centre. I'm very happy that the staff were able to follow up on this situation very quickly and report to the RCMP. We were able to apprehend the individual in question. That process is well underway, as I indicated previously; it is before the courts. We'll wait for the comments to come from that situation and we'll move forward from there.

Mr. Mitchell: It's only through the quick thinking of a young girl that this incident didn't become much worse than it already was. Yukoners want to know that the Canada Games Centre is a safe place. They also want to know what, when an

incident like this takes place, an internal review is done to ensure all procedures were properly followed. A review may conclude the procedures need to be changed, improved or updated. A review might also conclude that no changes need to be made.

In light of the incident last week, will the minister commit to doing a review of procedures around these supervised visits to the Canada Games Centre?

Hon. Mr. Hart: We are undertaking an internal investigation of the situation. We will make no comments until such time as the results of this investigation are known and until such time as the court situation has been discussed. Then we will look at what has to be done to ensure the safety of not only the children at the Canada Games Centre, but individuals in our care.

Question re: Mining regulations

Mr. Cardiff: What would a strong regulatory regime around mining and other resource industries look like? Projects would have good designs and be well-inspected. Permits would be in place and they would be well-enforced. This regime would need to be progressive, constantly looking for improvement, looking at best practices, analyzing current- and long-term data.

The EMR minister frequently raises Yukon's strong regulatory regime as proof of this government's competent management of the current resource boom.

Will the minister share with Yukoners the areas of our regulatory regime that are in need of improvement and provide some time frames for when that would happen?

Hon. Mr. Rouble: Mr. Speaker, Yukoners can rest assured that there are strong regulatory regimes, laws, policies and regulations in place. They can rest assured that Yukon's professional public servants are out there doing appropriate inspections, providing appropriate advice and appropriate enforcement where it's appropriate.

The NDP seems to have an issue with having an Energy, Mines and Resources official out doing water quality inspections. I am thinking that, in their world, they would rather see two people in white hardhats and two people in two different pickup trucks show up to do tests. Well, we have the faith in one person — that they are able to go out and do all of the appropriate testing. We have the faith in the officials to go out and do the work and we have the legislation in place. There are a growing number of Yukon contractors and companies that are operating within this regime, and that's certainly contributing to the positive economic climate here in the territory.

Mr. Cardiff: Well, the minister didn't answer the question, so now he has two questions to answer. Reclamation policies are a key part of the regulatory regime. Basically, a project is assessed at the real cost of cleanup and security — like a bond or cheque for that amount — is given to the government to hold. The bill for reclamation of Faro mine is now projected to be close to \$600 million, and thankfully the cleanup bill is not the responsibility of the Yukon government, but in a post-devolution landscape, we are now on the hook for any further projects.

The government currently holds \$28 million in security deposits from mining companies. The Selwyn Resources Ltd.

project, a 39-kilometre-long ore deposit, which the proponent says could be mined for 50 years, is being compared to Faro in size.

This part of our regulatory regime needs further scrutiny. Are deposits reflecting the true cleanup costs? We need to do more —

Speaker: Order please. Ask the question.

Mr. Cardiff: Does the minister agree that the best way forward is an independent assessment —

Speaker: Thank you. Minister responsible please.

Hon. Mr. Rouble: The member opposite is correct that there are strong regulatory processes in place; there are strong processes in place to provide security, whether that's through the *Quartz Mining Act* or the *Waters Act*. Through the mine land use plan, there are processes in place to put security in place. There are also processes under the *Waters Act* and the water licence to put security in place. It wasn't that long ago that I sent out a letter increasing the amount of security required on an additional project as the level of activity had grown.

The member opposite is making reference to the Selwyn project which, right now, is an exploration project. There are no tailings from that. It's an exploration project. As we go through the appropriate steps — through the YESAA review, through the mining application, through the different evolutions as to the size and scope of the project — then, yes, we will be responsive and ensure there are appropriate amounts of security put in place to address the specific needs of the identified project.

Mr. Cardiff: Do we have enough quality data to make decisions that won't come back to haunt us in the future? That maxim applies to everything in life and it especially applies to mining projects that the government regulates. Yukoners have great concerns about whether our regulatory regime is adequately measuring what are called cumulative effects of development. The Liard First Nation raised issues of cumulative effects on the Yukon River watershed about the Selwyn project. We need water-quality monitoring for cumulative effects in the right locations. We need baseline data. Maybe we need more data collection on water and on weather to aid us in future planning. What is this government's plan for increasing our data collection abilities and for better measuring cumulative effects?

Hon. Mr. Rouble: Well, there's a variety of different projects that go on throughout the Government of Yukon, whether it's in the Department of Energy, Mines and Resources, Department of Education, or one only has to look at Yukon College and the Climate Change Research Centre of Excellence. That was a research institution established by this Yukon Party government at Yukon College to work with researches throughout the territory on the collection, assimilation and coordination of data. This is a government that very much believes in making data-based decisions.

That's why we put in decisions to build buildings where we have, put in hospitals where we have. We're responding to identified needs throughout our community. We will continue to work with all of the departments within government to col-

lect data, to use data and to use that information to inform future decision-making and also to influence the regulatory enforcement and compliance. Really, I can't say enough about the good work that the folks in our Client Services and Inspections do throughout the territory. I just wish others would recognize the value of their work too.

Question re: Lake Laberge zoning

Mr. Cathers: I want to follow up with the Minister of Energy, Mines and Resources about the application by Takhini Hot Springs Ltd. to significantly change zoning regulations for their property. I know the minister is getting tired of this topic but it is very important to my constituents, and he has on several occasions made statements about this application that are incorrect. I don't believe the minister intends to make incorrect statements, so I want to help him understand key facts about this file. Is the minister aware that the Hot Springs Road zoning regulations make a clear distinction between single-family dwellings and multiple-dwelling units, including duplexes?

Hon. Mr. Rouble: I appreciate the opportunity to clarify any confusion the member opposite might have on this issue. The Hot Springs Road local area plan was adopted after extensive public input and local consultation.

In addition, the zoning regulations were further amended to support the publicly endorsed plan. The plan and zoning regulations currently allow for an extremely large variety of commercial and ecotourism activities, such as an RV park, hotels, restaurants, recreation facilities, guest cabins, et cetera.

With regard to this application, the company has the legal ability to significantly expand and develop the properties as they see fit. The existing zoning legally allows up to 24 residences to be located with no further rezoning. I would encourage the member to review the current zoning regulations on this. I trust that this puts the issue to rest and clarifies it for the member opposite.

Mr. Cathers: It's unfortunate that the minister is continuing to make statements that are not correct, including the one about the amount this lot can be subdivided.

His responses indicate that he believes Takhini Hot Springs Ltd. has the right under existing regulations to build condos; that is not correct. There are lots on the Hot Springs Road zoning area that are allowed to build duplexes and multiple residential units. The lots owned by this corporation are not among them.

Under current zoning, they are not allowed to build even a duplex, much less a condominium. If the minister reads the zoning regulations, he will realize that condos can't be built unless government changes the rules. Will he commit to reading the zoning regulations?

Hon. Mr. Rouble: The properties that we're referring to are currently zoned commercial/mixed tourism. There's a wide range of activities that are allowed on these, including RV parks, hotels, restaurants, recreation facilities, guest cabins, and secondary-use dwellings. I'm not sure if it's the type of ownership structure, if it's the condo-type of ownership that the member opposite is objecting to, or if he has some other image of what a condo looks like.

I know the proponent behind this project has made significant commitments to build in keeping with the local community, to take great efforts in order to ensure that current lines of sight and views and vistas are maintained, as best can be accommodated. There's really not much more I can add to this one. I think the member opposite should now appreciate the wide range of activities that are currently allowed in this area and I would encourage the member opposite to share that information with his constituents.

Mr. Cathers: I think the minister knows who has their facts straight on this, but I would encourage him to look into this in more detail.

The CMT zoning allows Takhini Hot Springs Ltd. to build guest cabins, or even a hotel, but not condos. There are lots in the Hot Springs road zoning area that are allowed to build duplexes and multiple residential units. The lots owned by this corporation are not among them. I'll help the minister by sending over two pages showing a zoning class in the area that does allow duplexes, and the CMT zoning, which does not. The corporation cannot even build a duplex, much less a condo, unless government changes the regulations. The minister should understand now why residents are so upset, so I'll ask him again. Will he agree to publicly release the Land Planning branch's report on public consultation regarding this application?

Hon. Mr. Rouble: We've gone through this a number of times; we've gone through the size of the area. We've gone through the fact that the residential attributes can be conveyed to one property from an adjacent property. We did the math the other day. We looked at the number of hectares, the number of dwelling units per hectare, and we put it forward for the member opposite. It comes out to 24, and this is in keeping with the nature of the zoning, which allows for an extremely large variety of commercial and ecotourism activities such as hotels, RV parks, restaurants, recreation facilities, guest cabins and also allows for residences. It's part of the zoning. Again, I'm not sure if it's the condo that is the concern to this member, if it's that type of ownership structure that he is objecting to, but if that's what it is, maybe he could convey that to me.

Question re: Mine rescue station

Mr. McRobb: Regulations under the *Placer Mining Act* require the government to have an operational mine rescue station that is staffed and prepared to respond to a mining emergency. Such a station formerly operated in the building on Range Road in Takhini before it was closed and nearly changed to temporarily accommodate ambulance services. In the Yukon, several organizations are involved in emergency preparedness, especially for the mining industry.

We've heard from Yukoners, and apparently this government has not advised the public about the relocation of the mine rescue station. Will the minister now tell us where it is located?

Hon. Mr. Hart: We are working with the mine relocation process, and we can provide the member opposite a view of it at a later date.

Mr. McRobb: That's not much of an answer. Record-setting gold prices have increased mining activity in the Yukon. Many commodity prices are also on the upswing. This is good

for the Yukon mining industry and is sure to increase activity within the sector, but along with this success comes a higher probability of mining-related accidents.

The Yukon government needs to be prepared at all times to respond to an emergency. Past governments operated a mine rescue station, but it seems to have disappeared under this Yukon Party government. Mining is up but the rescue station is closed down.

How is this government ensuring it is prepared and properly equipped to deal with a disaster in the mining industry?

Hon. Mr. Hart: Through Workers' Compensation Health and Safety Board we are working very closely with all the mining situations that are out there currently in the Yukon.

Recently, with regard to the mining incident, which we followed up on, along with the RCMP, on a very quick basis — we were there at the same time. We worked in conjunction with the RCMP during the investigation. We have followed through with the investigation, and we have done all that is required to ensure safety, not only of the workers in question, but for the operation of that mining process.

Mr. McRobb: Mr. Speaker, it is the responsibility of this government to be fully prepared to respond to a disaster in the mining sector. How can they do that without a functioning facility? You know, I often hear this minister rise in tribute to Emergency Response Week and other emergency-type tributes, pointing out how prepared the government is to meet disasters and how it's ready in its response. Yet today we discover that when the mine rescue station on Range Road was shut down, it was not replaced and still has not been replaced under this government.

This facility is required to train all the different individuals from different organizations on mine rescue training. How does the government plan to meet the challenges of mine rescue, which come with more mines, without a mine rescue station?

Hon. Mr. Hart: Yes, I have gotten up in this House on several occasions in my previous portfolio in regard to emergency measures throughout the Yukon, in conjunction with municipalities. I must say, we've been tested on several occasions in the Yukon. Our emergency measures operation has been very successful, specifically during the flood season and during a very serious fire season in 2004, where we utilized all the services available to the government, both in Highways and Public Works, in conjunction with the municipalities, the volunteer fire department and Community Services. Health and Social Services assisted individuals who needed our assistance during times of trouble. That was, again, satisfied and coordinated through the Emergency Measures Organization and handled adeptly and correctly for all Yukoners.

Question re: Whitehorse Elementary staffing

Mr. Fairclough: Last spring, parents and teachers of Whitehorse Elementary School students found out that they would be losing a teacher. This school is located in the Whitehorse Centre riding. Normally, the Whitehorse Centre MLA would bring this type of issue forward. That seat is empty because this government has refused downtown residents their basic democratic right to elect their own representative.

The government cut a teacher, even though enrollment was projected to go up. Now it turns out there are even more students who were expected than when the cut was first made. Has the minister righted this wrong and returned that needed teacher to Whitehorse Elementary?

Hon. Mr. Rouble: We've been through this math before. The member opposite has heard a number of times the number of teachers who were in the Yukon's education system when this government took office. He knows that number has increased. The number of teachers in our system has increased; the number of education assistants in our system has increased. All the while, the number of students in our system has decreased.

We recognized — this government took it very seriously — that we needed to put in place an appropriate principle-based method to allocating teachers and that it wasn't appropriate to politically tinker with the system. We went to work with teachers, principals, the Association of School Administrators, school councils, the Yukon Teachers Association and parents and put together a staffing allocation process that provides a fair, equitable and transparent allocation of teaching resources through the system.

I stand by the work that the committee did, the recommendations that they made and they have been implemented for this school year.

We're continuing to look at this. We'll get some feedback from this year's go-through of it and make changes to it where appropriate.

Mr. Fairclough: The minister did a good job of avoiding the question. Whitehorse Elementary School didn't have any teachers to spare when the government made its cuts.

In April 2009, in a letter to the Department of Education, the school council warned that it was the lowest staffed elementary school in Yukon based on student-to-teacher ratio. Since then the department has cut a teacher and the student enrolment has again gone up. Under the teacher allocation formula, Whitehorse Elementary School qualifies to get a teacher back. Parents have asked for that teacher back.

Why won't the government stand by its own staffing formula and return that teacher?

Hon. Mr. Rouble: We put together a multi-party advisory committee. It had for it the principles of equity, transparency, reproducibility, sustainability, predictability and accountability.

We didn't want to create a system that could be politically tinkered with, which is what the opposition has advised me to do on numerous occasions. They wanted to pick favourites here and there, pick their favourite school that they wanted to see more teachers in. This government believes more in fairness and equity than to do that. We worked with Yukon's teachers, principals and with school councils. They advised us of what they needed to see in this type of a formula and we are accommodating them. The Liberal Party knows that we have more teachers in the system now than we did when they were in office; the NDP knows that we have more teachers in the system now than when they were in office. We are responding to the needs in our education system. We're working with our par-

ents, we're working with our teachers, and we're working with all students.

Mr. Fairclough: Maybe these parents would have been more successful if they had an MLA of their own to advocate for them. We don't know that because our Whitehorse Centre residents are still without a representative in this House. Whitehorse Centre parents repeatedly contacted the department asking that their children not lose a teacher. The government cut it anyway. Now, there are more students, fewer teachers, and the teachers who are left are spread thinner than ever.

Whitehorse Elementary needs that teacher back and it qualifies for having that teacher back under the government's own formula.

When will the minister correct this mistake?

Hon. Mr. Rouble: Mr. Speaker, I would urge the member opposite to take a look at how this school is staffed, to take a look at the school growth plan that was created with the school council, to take a look at the staffing formula that the principal proposed last year, to take a look at the plan that was approved by the Whitehorse Elementary School Council about the allocation of the different teachers, about the additional supports that are there, about the work with teaching positions like music teachers, art teachers, gym teachers, some of the language teachers, or some of the reading and literacy and support teachers who are in there and to really take a look at the team-teaching processes that are going on in that school. It's a very progressive one in our school system. We will continue to work with this school, with its teachers, its students, its school council and the parents, as we will look at all schools in the whole territory.

The member opposite should know that a per capita approach to staffing schools simply doesn't work in all our schools because of the populations and because of the breakdown of the demographics. That's why we worked with our partners in education to come up with a staffing allocation that is fair, equitable and transparent.

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

ORDERS OF THE DAY

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair (Mr. Nordick): Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 22, *Second Appropriation Act, 2010-11*. We'll continue with general debate on Vote 18, Yukon Housing Corporation. Do members wish a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 22 — *Second Appropriation Act, 2010-11* — continued

Chair: The matter before the Committee is Bill No. 22, *Second Appropriation Act, 2010-11*. We will now continue with general debate in the Yukon Housing Corporation, Vote 18.

Yukon Housing Corporation — *continued*

Hon. Mr. Kenyon: I will continue on with the discussion here and what the Housing Corporation Board of Directors was trying to look at at the time. Of course, mortgage rates were extremely low at that point of time and were relatively high — my understanding is that there was about a 7.9 percent mortgage rate at the time; that's a little bit lower now — and was in fact substantially different in the banks and such, so it made perfect sense to be able to pay off that mortgage at some point in time. That's really what this was all about. It was an ability to pay off the mortgage, to move that mortgage on an individual basis to a bank to have the flexibility, particularly for not only lowering payments but also to allow people to get into a line of credit — something that the Housing Corporation does not do and has no interest in doing. It gave much more flexibility to Yukon people, and that's really what the board does; that's what a good government does, and that was very open and accountable.

For the member opposite, he is repetitively, over and over, asking the same questions and demanding documents be shown that in fact he had in his hand when he was making that comment. I leave that for what it is, but perhaps we should go and ask the questions from this side, what happened around that time as well.

Well, around that time there was a bit of a problem out in the Whitehorse Copper subdivision with surveys. They were improperly done. I believe that matter is still in the courts, so I won't go there, but it left an awful lot of individuals who had purchased lots, suddenly without a survey; they couldn't get a mortgage through a bank or private lending institution of whatever sort. If they couldn't get that, they couldn't get further loans and they couldn't actually begin construction — big problem. That was in August, early 2008.

At that time, this government provided a special warrant — \$1.45 million for joint ventures, \$170,000 for Habitat for Humanity, which was actually the purchase of 810 Wheeler. That was all put into extra home ownership. That was basically to bail a lot of people out. A further special warrant in December 2009 was \$2.8 million, more specifically, for home repair. Now, that was really where all of this came from.

The member opposite has a number of times referred to the corporation being out of cash. In fact, they never were. The reality is, of course, in a government, the vote authority is what

this House has passed to allow them to spend. Now, I understand that the Liberal member has voted against that and that's his prerogative. But it does provide a cap — a limit — of what the finance directors or the finance section can spend. It would be problematic at that point, and hence, those warrants had to be looked at and adjustments made to the budget. Now, the adjustment in the budget right now is \$7.195 million. Again, the member opposite seems to ignore that. He somehow thinks that putting an additional almost \$7.2 million into a mortgage portfolio is trying to privatize it.

I would suggest that that is a little bit more than far-fetched, and I do realize that the Liberal leader has the theory that — he doesn't like mortgages — people should just simply do whatever they have to do — rent or whatever — in order to amass the money to eventually buy a place with cash, because debt is something that he would not get into. Well, again, that is not consistent with any of the advice that I've had over the years from lawyers, from real estate agents, et cetera. That just simply does not make any sense, but, then again, there certainly are a lot of things that don't make sense here.

Mortgages, at the moment, are running as high as 5.25 percent — that's through Effort Trust, First Calgary Savings. But if you come back to CIBC, you're down to 5.04 percent, 5.39 percent. At the same time, many of the mortgages within the Yukon Housing Corporation — if I just go through here and randomly choose some — here's six at 5.5 percent; another one — eight at 5.51 percent, 5.54 percent, 5.56 percent. When you get up into 5.85 percent, there are 10 mortgages there — six at 6.19 percent.

I would hope that the member opposite starts understanding why it would make sense to allow people to perhaps discharge those mortgages and go for a better rate someplace else. That makes every bit of sense.

Now, the member opposite and the Liberal leader have also been concerned about the Department of Finance being involved in this, so let's look at some of the things that the Department of Finance does on an ongoing basis. They provide advice and information to all departments and corporations. The members opposite — the Liberal members continually refer to the Housing Corporation as a department. It is not; it is a corporation and operates on quite a different structure. The reason for ongoing dialogue is that within Finance resides the technical expertise for the government in a variety of areas. Finance is either responsible for and/or has the corporate financial professionals in everything from the financial administration manual, taxation expertise, accounting policy expertise, financial accounting expertise, investment expertise, budgeting expertise, financial systems expertise, accounts receivable collection expertise, accounts payable expertise and payroll expertise.

Naturally, this centralization of responsibility and expertise within the Department of Finance means that to share it, all departments — and yes, the corporations — at one time or another seek out Department of Finance assistance. Specifically with respect to the Yukon Housing Corporation, the following are some of the types of assistance the Department of Finance has provided.

The Department of Finance financial systems and budgeting expertise was sought in the process of Yukon Housing Corporation and the Yukon Liquor Corporation being removed from shared services within Community Services — there probably would have been some good questions on that, but the member opposite probably didn't read that document either.

The Department of Finance assistance in financial accounting expertise has been sought in dealing with the expenditure review during staff shortages, which the corporation, as well as other corporations and line departments, has experienced. The Yukon Housing Corporation, after consultation with the Auditor General's office, decided in June 2009 to change the accounting standards that apply to Yukon Housing Corporation to public sector accounting standards. The Department of Finance accounting policy and financial accounting expertise was sought.

The Liberals would say you shouldn't go to Finance and actually learn something — that's not reasonable.

During the month of August 2009, the Department of Finance was asked to help prepare the 2007-8 and the 2008-9 year-end financial statements for the Yukon Housing Corporation. Finance was assigned the responsibility for the preparation of financial statements for those years.

I can go on about some of the other things that the Department of Finance has been involved in. The Yukon Housing Corporation had a subcommittee that made recommendations to the board of directors. The opposition has quoted from that document, so I'm assuming they must have it. The board of directors then put together a Management Board Secretariat application to have them do a further analysis. This is good government.

Mr. McRobb: Well, I have a few more comments to make on this whole matter. The minister just doesn't get it. This whole issue surrounding the Yukon Housing Corporation mortgage portfolio and this government's secret attempt to privatize it is all about trust. It's not about the issue itself — privatizing the mortgage portfolio. It's definitely not about the corporation's housing programs. It's definitely not an attack on the officials and board members of the corporation. It's all about the integrity of the minister and the trust or lack thereof in this government.

Just to define it further, there are three parts to this whole mess. The first part started last spring when we asked, in response to public concern, whether the government was considering the privatization of the Yukon Housing Corporation's mortgage portfolio. Mr. Chair, this minister stood up and point-blank denied it. He emphatically said, "It is absolutely not true." We can all remember how emotional he was at the time about it.

The second part was that last summer we filed an access-to-information request. The documents returned proved that indeed the government was considering the privatization of the mortgage portfolio.

The third aspect we are still working on. In this fall sitting of the Legislature, when asked about all of this, the minister is still in denial. The minister is avoiding the central question:

why did he deny it when it was really going on within this corporation?

He's claiming he didn't read the Yukon Housing Corporation minutes. If the minister doesn't read the minutes, how does he know what's going on in the corporation? How does he know what the issues are? What good is having a minister responsible for a corporation in here, if the minister — any minister — doesn't know what's going on?

Is the minister merely a figurehead? This raises bigger issues that we won't resolve at this opportunity. The issue the minister still needs to explain is either — number one, he did know what was going on and he emphatically denied it; or, number two, he didn't know what was going on and why didn't he? It's one or the other. The minister hasn't explained either one.

We hear lots of talk from the minister about previous governments and everything else and how this government has thrown money at this problem. I call on him and all members of this Assembly to raise the bar and to deal with the present issues going forward. There's a heck of a concern to a lot of Yukoners and it renders down to this: if a minister can say one thing on the floor of this Assembly and yet something else completely different was in fact happening and the minister has no compunction to ever apologize or set the record straight then what good is it?

Chair's statement

Chair: Order please. The Member for Kluane knows full well that the terminology that he has been using recently and today is definitely not in order. Personalizing the debate and making accusations is not in order. I'd encourage the member not to go down that path and to refrain from making those comments.

Mr. McRobb: I don't know. Anyway, Mr. Chair, this whole matter is of concern not only to Yukoners, but it should be of concern to this Assembly. What course of action should exist? What recourse should exist to properly handle instances like this?

I am still quite concerned about this whole matter. I've asked the minister some pointed questions several times now. I've repeated the questions at other opportunities. The minister has failed to address any of those questions. No matter how many times they're asked, he will just simply stand up and talk about something else. So, once again, that raises the question: what value is there of any debate with the minister if that's all we're going to get? As a result, I've discussed this with my colleague, the Member for Mount Lorne, and he has indicated that he is prepared to take the floor to try his hand at getting answers out of this minister, and I wish him the best of luck.

Hon. Mr. Kenyon: To make it clear to the member opposite, again: was the government considering anything like this? No, absolutely not. I have said it before, and I'll say it again: the government was not.

A subcommittee — and this was all in the document that the member now admits that he ATIPP'd, because of course we don't know when ATIPP requests are filed or who filed them — but the document which he demands that I release, which he

had in his hand when he was making the demand — a little humour to that one — refers to a committee, the finance and program review steering committee. I read into the record yesterday the membership of that committee, so I won't do that again. What it says here is that the corporation does not have enough cash in its bank account to pay all the expenditures for the fiscal year. That was true. It's not a question of being broke. It's a question of them not having vote authority. This House had not passed and approved that amount of money to be spent. The Member for Kluane voted it against it, of course, the Liberals voted against it, but the majority of MLAs and the majority of Yukon people did not agree before that that should be released. They made recommendations to the overall board. That recommendation — again that was blacked out in the document that the member had in his hand — I've read it before and for his information, will read it again — this is coming from the subcommittee: "It is recommended that the Yukon Housing Corporation Board of Directors approve: (1) The removal of any prepayment penalties for YHC mortgage clients who transfer their mortgage to a bank; and (2) The provision of an incentive of \$500 to YHC mortgage clients to defray a portion of the legal costs; and (3) Discussing this option with the local banks in hopes they will offer incentives to potential clients prior to offering the option; and (4) seek concurrence from the Government of Yukon on the recommended approach prior to proceeding with the initiative."

I'll repeat that again for the member opposite, even though I don't think he's listening: "seek concurrence from the Government of Yukon". The Government of Yukon hadn't been a part of this discussion at any point in time. That recommendation was made to the Yukon Housing Corporation Board of Directors, which passed a resolution, with all the "whereases" in the front: "Therefore be it resolved the YHC Board of Directors approve a one time offer on the removal of any prepayment penalties for YHC mortgage clients and encourage those clients to transfer their mortgage to a bank; and be it further resolved the board directs YHC staff to seek concurrence from the Government of Yukon on the recommended approach prior to proceeding with the initiative(s)."

I'll read that again, Mr. Chair, because I think that the Member for Kluane — the Liberal member — and I believe the Liberal leader is now listening — "be it further resolved the board directs YHC staff to seek concurrence from Government of Yukon on the recommended approach prior to proceeding with the initiative(s)."

This was within the Yukon Housing Corporation. The Liberals put a motion on the floor today that would require ministers to read the minutes. Interestingly, they didn't include in their litany of motions the Yukon College Board of Governors. So, again, like I have had personal experience in this House before, the Liberal Party seems to have precious little interest in further education of our students — understand where they're coming from this; understand the fact that they have shown no support for students with higher education in this territory, and that is extremely sad.

Now if we go back and look at what the Department of Finance does in the course of this discussion — the Department

of Finance assistance in financial accounting expertise has been sought in dealing with expenditure review during staff shortages. The Yukon Housing Corporation, after consultation with the Auditor General's office, decided in June 2009 to change the accounting standards that apply to Yukon Housing Corporation to public sector accounting standards.

Department of Finance accounting policy and financial accounting expertise was sought.

Beginning in October 2009, the Department of Finance furthered its involvement by providing financial stewardship to the corporation. The Department of Finance's advice was sought in dealing with the reorganization of the financial unit of the Housing Corporation and part of this certainly does go back to the dealing of what we called "shared services" between Community Services, Yukon Liquor Corporation, Yukon Lottery Commission and Yukon Housing Corporation. Good questions in there — the Member for Kluane seems to have missed that whole thing.

The Department of Finance also asked to assist in hiring key financial staff at the Yukon Housing Corporation, and the Yukon Housing Corporation sought Department of Finance advice in the preparation of a business case to the board of directors allowing for Yukon Housing Corporation mortgage holders to take advantage of commercial bank financing to negotiate lower mortgages, allowing not only lower payments, but also involving the ability to access things like lines of credit and other programs that banks have that we do not.

The member opposite seems to be really stuck on this, and I go back to some of the other questions that I would have here, that the Liberals have brought up in this House from time to time. They've made allegations — comments today that certainly would suggest that the Liberal government would tinker with teacher allocations. We won't. There is a set process. The Member for Kluane claimed that there was a sink being installed in a minister's office; I do invite him to come upstairs and show us where it is because we haven't found it yet.

Some Hon. Member: (Inaudible)

Point of order

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

Mr. McRobb: On a point of order, I challenge the minister to ever show where I've asked that question, and I would ask you to bring him back to the matter at hand — Yukon Housing Corporation's supplementary budget.

Chair's ruling

Chair: On the point of order, there is no point of order, but I would encourage members to speak to Bill No. 22, the Yukon Housing Corporation.

Hon. Mr. Kenyon: I am very happy to bring it back to the Yukon Housing Corporation and some of the things that have gone on there, so I will refer, therefore, Mr. Chair, directly to the debate on Thursday of this very department. I, too, recognize that the member opposite — I commented that he was never in government; he was never a minister in a government — which is the definition of government — so, he was there for three years.

At the same in *Hansard* that day: "I have seen where the Deputy Minister of Executive Council Office comes into the executive offices with an ATIPP request and asks for political guidance about which sections should be blanked out and which sections returned." Mr. Chair, that is contrary to the *Access to Information and Protection of Privacy Act*. It is a criminal act.

I would ask the member opposite to either stand by that or apologize to the deputy minister of the day, because that is an incredible insult to that individual — incredible insult.

Some Hon. Member: (Inaudible)

Hon. Mr. Kenyon: Mr. Chair, do I have the floor or does the Member for Kluane have the nerve to actually wait his turn and say his comments on the record?

Chair's statement

Chair: Order please. All members know that their comments should be directed through the Chair. Mr. Kenyon, you do have the floor.

Hon. Mr. Kenyon: Thank you, Mr. Chair.

It was interesting going through *Hansard* on Thursday. I read again, verbatim, from his comments in *Hansard*: "Does he really expect us to believe that all the officials and board members working for the Yukon Housing Corporation, other government board members, including Management Board members, all acted on their own without any direction from this government ..."

Well, actually, yes. That's the way boards work. What have the Liberals said about that? They've already said that they would interfere with boards. They would interfere with committees. They would be involved at every point with that. We've already heard that they'll interfere with the Peel management plan, that they will ignore *Umbrella Final Agreement* processes which are firmly in place. That directly relates to the House and corporation allegations. They are an independent corporation. They report to this Legislature through a minister, but they have an independent board and they make independent decisions — unlike the Liberals, who have said that they would ignore, for instance, the Public Accounts Committee. The Leader of the Liberal Party actually tried to resign from that committee until he realized days later that he wasn't able to. Does this include planning councils? Difficult to say on that —

Chair's statement

Chair: Order please. I do just want to steer the debate back to Bill No. 22, the Yukon Housing Corporation. Thank you.

Hon. Mr. Kenyon: Some of the things to point out for the members opposite, since they don't seem to have a grasp of the Housing Corporation and how it works — the mortgages at the Yukon Housing Corporation do have tighter lending controls than those used by banks. Our total debt-service ratio is lower.

We lend less in general, and this helps to ensure affordability when it comes time to actually pay for these things, and reduces the risk to the homeowner and the Yukon Housing

Corporation both — which, in turn, is of course the Yukon government. That would help to explain the lower arrears, the lower rate. All of these things are part of what the corporation does and they do very, very well.

So I think for the member opposite, if we were to bring him back to what he is asking — although he has asked the same thing over and over and the answers haven't changed — I think to go to a very famous document, "Of the things we think, say or do: Is it the truth? Is it fair to all concerned? Will it build goodwill and better friendships? Will it be beneficial to all concerned?"

These are very good principles. We're very proud with what the Yukon Housing Corporation Board of Directors and their very good staff do. We are very pleased with their low rate of problems with mortgages. We are very pleased that they take an initiative to look at a variety of programs that would benefit mortgage holders.

We want to again ensure that people understand the Yukon Party and this government will not put their fingers in and meddle with the boards, with the *Umbrella Final Agreement*, with the Water Board or ignore PAC. I could go on and on and on. The Liberals have been very clear — they would do that. I think that is something that a lot of people are going to have to take a serious look at. Thank you.

Mr. Cardiff: I'm pleased to be here today to enter into the debate on Vote 18, Yukon Housing Corporation. I do have a number of questions for the minister. I'm going to attempt to be brief in the questions hoping that the minister will try to be equally as brief with the answers.

We tried to deal with the issue around the cash flow problems last year at the Housing Corporation. If my recollection serves me correctly, there was an issue last fall where the loan programs were oversubscribed. There was more demand than there was cash.

The corporation had made commitments for those programs that it didn't have the cash for. I'll wait for the Premier to give his advice and his two cents on this issue.

My question for the minister is with regard specifically to Vote 18. There was a lot of uptake last fall for the home repair loans and programs. So, what we're seeing in Vote 18 is an almost doubling of this program with almost \$2.1 million in this line item. I'm just wondering whether this is to address commitments that have been made by the Housing Corporation, or is this in anticipation of increased uptake again on this program?

Hon. Mr. Kenyon: I draw the member opposite's attention to the fact that "oversubscribed" is not "cash flow". They are very different things. It was a good program, and it still is — the member's quite right. I remember being chastised by the Liberals at the time that this was a terrible situation, but it was a good program; it was fine. There was a problem in 2008. By 2009, the budget had corrected and, at that point in time, we didn't have the problem. I will refer back to the warrants that I referred to. The warrants allowed us to deal with the problems at the time, and the structure at the time. That was pretty good and, again, the special warrant that I referred to is August 2008; it was primarily revolving around the Whitehorse

copper issue and the survey issues. We offered mortgages to keep people building and keep them going on that. I think many more than anyone anticipated converted them over to SuperGreen home mortgages, which is a good thing — an excellent thing — but that wasn't quite what I think anyone was expecting, so all of a sudden there was an oversubscription. The government itself had over \$200 million — I think the number was something like \$250 million — in the bank, so it certainly wasn't cash flow. It was an oversubscription that we ran into and that was difficult to explain to people, but it certainly has been corrected now.

Mr. Cardiff: I'm almost a little more confused now than I was before. The cash flow problems were in the 2008-09 year and it was directly related to financing and providing mortgages in the Whitehorse Copper area. Can the minister tell us how much money the government put in in order to alleviate the cash flow problems?

Hon. Mr. Kenyon: The warrant itself, as I mentioned, was \$7.5 million and a further \$2.8 million for various parts of that. Other than that, I don't have an exact amount of what we lent in front of me, but I can say that we lent in one year what we would usually lend in over two years.

That caught people a little bit off guard. The other thing that I think I have to point out again is that the government did not give the corporation cash; we gave them vote authority. We said, "Yes, the money is in the bank. You have permission to go ahead and deal with that and sell it." It wasn't a question of actually pulling out a cheque and handing it to them. What caused the thing was the fact that we lent in one year what we usually lend over two years. Quite correct — there were probably some other minor factors, but a big part of it was the fact that Whitehorse Copper — we weren't prepared to leave people sitting there with a lot they couldn't afford, that they couldn't build on. That just isn't reasonable.

Mr. Cardiff: If that's the case, why is it that these three options were being discussed in August of 2009?

Hon. Mr. Kenyon: One of the things that came up with the economic stimulus package was the fact that all of these things had to be looked at, and because of the history of the problems in 2008, that was certainly there. The problems of the day — the same thing — the Auditor General's office not quite telling us which accounting structure — and I'm not an accountant but there are two major accounting structures that could be used. We didn't have information on which one to use, so we made a choice and we guessed wrong. It did have to be looked at.

Again, the Member for Kluane is saying and demanding that I put a document out and yet he holds it in his hand when he's reading from it. I'll read from it again: "Request: As a first step in reducing Yukon Housing Corporation's loan portfolio, Yukon Housing Corporation is seeking approval to remove any pre-payment penalties on the Housing Corporation home-owned mortgage loans and so to encourage this group of clients to transfer their loans to the banks and pay out their debt to Yukon Housing Corporation. The Yukon Housing Corporation Board of Directors has already approved this course of action."

They had and have the authority to go ahead and do that, but as I read earlier, one of the resolutions was that they felt they should seek approval from the government on their decision before doing it. One of the ways of doing that, of course, is to ask Management Board to make an application to Management Board to look at various choices of that.

Usually, Management Board would look at a variety of options. Of course in the most simplistic terms: do it all, don't do anything, and do absolutely everything in the other direction, or something. Sometimes there will be five or six options. At the time, CMHC was part of the discussions. We would have to take CMHC insurance because we act as our own insurer, primarily because we have a better record in the bank. When you look at the default record, we're extremely low. The Yukon Housing Corporation isn't eligible for securitization.

They wanted the Management Board to take a look at this, so they looked at the various options, and that was to do the various things that we've discussed. That's what they do. We knew — the board knew and the government knew — that if we sold the portfolio, we would lose the revenue stream at the same time. We would also potentially lose the people who administer it. None of those were reasonable options. The Management Board Secretariat — when they do their optioning — will put that in and they will say, "Yes, here are the problems. Here are option 1, option 2 and option 3. Here is something good that would happen if you did option 3; here's something really stupid if you did option 3. These are the things that come to Management Board.

This never came to Management Board. There is a huge difference between Management Board and Management Board Secretariat. The Management Board Secretariat is a section within the Executive Council Office and they do these sorts of analyses. They would look at all of the various things. For instance, the Yukon Housing Corporation is not an approved lender under the *National Housing Act*. I think the corporation knew that, but Management Board is going to look at — becoming an approved lender would have to change and charge mortgage insurance; that would be a higher cost. The decision was made years ago by other governments not to do that, to act as its own insurer, and it has worked very well.

In fact, that was done under an NDP government, and that was a very good choice because, as I say, we have a better reputation than any of the banks in mortgage things. Again, Management Board Secretariat, which produced this document, has been asked to do an analysis to present to Management Board, which is a subset of Cabinet and senior staff from the Executive Council Office.

This analysis never went any further because it just made so little sense to continue doing it.

Will it continue as simply seeking approval to remove any prepayment penalties? It may well. I think that's a pretty wise choice. I think any Yukoner who is looking at a mortgage and, for whatever reason, has an ability or a desire to pay it out — either pay it out completely or pay it out into a different structure — and can do that in a way that saves three months' penalty, it's probably a good thing and I would certainly recognize that.

We'll see where it goes but, in terms of the rest of the analysis, this government is not interested in privatizing; it has never been considered by Management Board and it has never reached Cabinet.

Mr. Cardiff: I thank the minister for that answer. So when I read through the minutes, it's pretty obvious — I believe the minister read into the record the parts that were blanked out — and it's my understanding that option number three, or some variation of that, is what was decided — that's what the minister has been saying in the Legislative Assembly — which is where deterrents were removed and legal fees covered or waived, and penalties waived if clients wanted to move their mortgages to a banking institution.

The estimate was that 20 to 40 percent of the mortgage clients would consider moving their mortgages to the banks. Can the minister tell us how many actually did?

Hon. Mr. Kenyon: The member asks a good question. Of the various options that are there — and again, nothing went ahead because it has never been presented to Cabinet or government or to Management Board; therefore, the whole idea of privatization did not go ahead. It never made the table. The securitization did not go ahead. None of it went ahead because it has never made it to Management Board. Management Board and the Housing Corporation and such continue to do due diligence and we're still looking at it.

The fact of the matter is, again, it has never gone to Cabinet; it has never gone anywhere. We'd have to do a compete — because I do know that there are probably several who have paid out mortgages — review of the mortgage portfolio, of which there are 140-something, I think, or up in that range anyway.

I do have to point out that, if we were going to go ahead and do a quick review, every single file would have to be gone into over that time period — in, out and everything else — so it would be incredibly labour intensive. I think there are a couple who have done it.

In terms of waiving the fees, et cetera, it has never made Management Board, it has never made Cabinet, so the answer is simply no, nothing has ever happened with it.

Mr. Cardiff: Despite all the good things about it that the minister has been saying, nothing on this file ever happened. I'm not sure what he just said about how many — without incentives, it sounds like some clients have taken it upon themselves to actually transfer their mortgages. I understand what he's saying. There are probably quite a few mortgages, but you would think it wouldn't be that difficult to track which ones had been paid out.

There would probably be a column somewhere in the ledger that would show which mortgages have been paid out and which mortgages haven't. It sounds like the clients who have done that have either done it at a renewal stage, where there may not be penalties applied, or they have actually borne those penalties in order to get the good interest rates, which are fast slipping away.

I'm looking for some clarification. At one point I thought I heard the minister say 40-some, and then he said "a couple". There's a vast difference between 40-some and a couple of

clients who have switched over to bank financing. If he could clarify that and let us know what the terms are.

Hon. Mr. Kenyon: To clarify that, what I said was there were probably up in the range of 140 — not 40 but 140 — mortgages within the portfolio. I'm looking through here, assuming that this is up to date — 140, in terms of the grand count.

Those are the mortgages. The member opposite is confusing the term. There is a difference between “paying out early” and “renewing” a mortgage. There are no penalties on a renewal. If your mortgage is coming due; you've taken it out for a three-year term; the three-year term is up and you want to renew it for another three-year term or whatever — there are no penalties on that. I think that if anyone looks at their mortgage, they will find there is a clause regarding paying it out before the term. There have been a few of those that I've heard of, but I don't have an exact number.

Again, it's a client choice. For instance, if it's going to cost you — I don't know, pick a number out of the air — say \$1,000 — to pay it out early, but in renegotiating at a different institution it's going to save you that \$1,000 over the first two years, then it's probably worthwhile. Plus then the ability to do a line of credit — that penalty going in — and some people would want to add that to a mortgage that they're taking out with another institution — and then using a line of credit if they have good equity in their home to send the kid to college or take training at the college themselves or whatever. So there's a big difference between paying it out early and renewing it.

Mr. Cardiff: No, there's no confusion on this side. I am well aware of the difference between penalties when you renew and penalties when you pay out early. I do understand that, and that's what my point was. Were the Yukon Housing Corporation's clients opting to pay the penalties, or were they actually waiting and doing it at renewal when there would be no penalties? The minister says there are 140 portfolios and I don't think that it would be that difficult to look and see how many mortgages had been paid out in the last couple of years. I would like to move on from this issue; I think I understand where we're at with it; it sounds like it's going nowhere right now, but if it does come before Cabinet, I hope that the minister will be forthcoming and let Members of the Legislative Assembly and the public know what is being considered and what the decision is around this, because I think it does have some impact.

I can see the value in some clients wanting to reduce their interest rates on their mortgages so they can have the option of accessing other financial instruments like loans or lines of credit by using the equity in their homes for something they really need.

I'd like to move on. I'd like to actually go back to the question that I had earlier about cash flow and programs and how popular they are. In home repair loans and programs, there's \$2 million in that line item. The question is more about the programs. Is this as a result of increased demand on the part of the public for these loans and programs? Is it reflective of past years' activity in these programs? Or are we seeing an increase this year?

Hon. Mr. Kenyon: That's a relatively easy one. The home repair loans — the \$2,091,000 — is a revote. They were all commitments made prior to March 31, 2010, for which the money was not yet advanced. Yes, there was one the year before and probably many years since. This is a chronic problem that people coming in — again as an example I give tier 3 of the community development fund. The awards are in January or February, so there's no way you're going to spend the money before March 31, and it has to be revoted in the next year. Also, some of these commitments were two-year commitments, so that's a part of that as well.

Just to clear the record, the member mentions that it might be easy to go through and find out who paid out a loan. Actually, it isn't, because involved in all of that you've had all of the files over all of that period of time — you have the files that have matured; you have files that have been paid out, which would be our interest; and you would have files that resulted from sold properties. There is actually a huge database in there that you'd have to go through, case by case by case, to determine how this was done. It would be a bit of a daunting task. But I have heard of several people who have done that. I'm assuming that probably there were a few, but I don't think there was any large number — at least, the corporation has never said that they were aware of any large numbers that have been paid out. We're waiting for a decision on this and quite right — I certainly do give that support at the table.

Mr. Cardiff: I thank the minister for that answer, and I'm assuming that we can expect some of this money to lapse and revote it again in future years as well.

The Zircon Lane repairs has been going on for a number of years — the concerns about underground water and the effect that it's having on some of the homes on Zircon Lane. I'm just wondering when these problems will be concluded and dealt with.

Hon. Mr. Kenyon: The Yukon Housing Corporation has worked quite a bit with Community Services, so it has been a joint effort. It's an interesting situation. For those people listening who are familiar with it, they know the very long and strange history of this roadway. For those who haven't — how in the middle of a large subdivision — and this has been going on since 2002 — houses right in the middle of it suddenly started taking on water. At the time, this government purchased one of the homes most affected, had it towed away on contract to a contractor who lives somewhere around here that is, hopefully, not underwater and sold the land that it sat on. We split it in half and sold it to the other two.

Now, interestingly enough, the water problems have affected other houses through there, so there's obviously something going on. I won't even begin to speculate because this is the sort of thing that you can talk to 10 experts about and get 12 opinions. It has been everything from leaky water mains underground, to run-off, to fire hydrants, to the weight of Copper Ridge — everybody has their own theory. To my knowledge, nothing has had any effect on that. We have dealt with most of them. As far as I know, most are under control. I see here that we have another \$144,000 in there for flood relief. So it is an ongoing issue for a couple of the houses in there, in putting

water abatement piping or drainage tiles around the properties. I know at least one of the houses has been sold and the people have moved away. It's an ongoing thing. We work continually with the people in there — between Community Services and the Housing Corporation. We have had a good relationship, I think, with most of them and we seem to be coming up to some good conclusions.

But there is \$144,000 in this supplementary to continue to deal with this. Hopefully that is going to put it to bed; at least, that's our serious hope.

Mr. Cardiff: There is a similar situation that I've been aware of for awhile now and I believe the minister would have been aware of on Drift Drive, where there were homes that were being affected due to runoff — is my understanding. I'm just wondering whether or not the Housing Corporation is working with the Department of Community Services and the City of Whitehorse to ensure that the residents there who have been adversely affected also aren't out of pocket for something that is beyond their control.

Hon. Mr. Lang: On Driftwood, there was a City of Whitehorse issue with managing the snow load during the winter — I think that has been resolved.

As far as Zircon Lane is concerned, Community Services has invested a large amount of resources in trenching and enhancing the trench with drainage rock, and connecting that drainage system with the city's wastewater management lines. According to our engineers, that has solved the problem on Zircon Lane. Driftwood was a management problem of the city on how and where they were storing their winter snow, and that caused a problem. I imagine Whitehorse will take that into consideration when they move forward with their management of the snow.

Some Hon. Member: (Inaudible)

Point of order

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

Mr. Mitchell: Just to inform the House, it's Drift, not Driftwood, and the problem is gradients and the city —

Chair's ruling

Chair: Order please. When you stand up on a point of order, please refer to a Standing Order that's being broken at the time. If a member wants to get up in general debate, get up in general debate and debate the budget, but don't stand up on a point of order to do so.

Mr. Cardiff: I appreciate the information that has been provided. It is quite correct: it is Drift Drive, not Driftwood; that was the location. The minister is saying that it was to do with the snow dump and managing how much was up there and the location and the fact that it was well above and the grade was allowing the water to run down the hill, toward the back of the homes. That's my understanding of the issue as well.

There were a number of residences, to my knowledge, that had crawl spaces that were full of water, so there was water damage caused to these homes. The insulation had to be stripped out, the vapour barriers and all that. They had to all be dried out, mould problems dealt with to ensure that there was

no mould or, if there was any mould found, it could be remediated and then the insulation put back in and the vapour barrier put back in, but the thing is this is not something you want to be doing on an annual basis.

It sounds like the resolution of the problem is how the city manages where it dumps its snow, and how much snow gets dumped there, but we all know that — as we've seen with other projects in this territory — the climate is changing and it affects that planning process, so it's never a for-sure thing. I'm wondering whether or not the Yukon Housing Corporation is working with the Department of Community Services and the City of Whitehorse, number one, to make sure, that the owners of the homes that were affected by it aren't out of pocket for something that was beyond their control, for starters, and wasn't caused by them, and whether or not there's a permanent — whether or not any department in government — because it was the Government of Yukon that built this subdivision — is working on a permanent solution so that, regardless of whether it's snow dumps or snowfall, these citizens don't have their homes adversely affected in the future.

Hon. Mr. Kenyon: I'm at a little bit of a loss on this. I'm glad that it is "Drift". I thought the member opposite said "drip" — "drip". I thought he was being humorous. Now that we've got that clarified — I'm not aware of any work that has been done on this. I'm suspicious that, given the comments made by the Minister of Community Services a moment ago that it was a city snow dump that was in there, it's more of city issue than ours — not necessarily construction. I'm hoping that they are working with the people involved with that. However, I will commit to get back to the member, because I'm not even sure where Drift is.

Mr. Cardiff: Well, I would encourage either the minister responsible for the Yukon Housing Corporation or the Minister of Community Services to work cooperatively with the City of Whitehorse to ensure that these residents are, as I said, not further exposed to this situation, that there is a permanent fix for it, and that they are adequately compensated for the work needed to be done there.

I would like to ask the minister some general questions around the Housing Corporation in relation to its progress in addressing some of the recommendations from the Auditor General.

The Housing Corporation was supposedly working on the completion of an applicant and tenant on-line management system. The corporation was supposed to ensure that the applicant database for social housing was complete and accurate. I'm just wondering what the progress on that is. It's my belief that the system was supposed to be implemented this fall and that the Whitehorse data was supposed to be evaluated for accuracy and completeness during this time frame. I'm just wondering whether or not that has been done.

Hon. Mr. Kenyon: Yes, we are working on it. The Housing Corporation was working on it during the audit, et cetera. I don't have any specific information from staff now, other than the fact that it's coming along nicely. So, again, I'll certainly commit to getting back to the member on that.

Mr. Cardiff: It would be appreciated if the minister could provide a response in writing to that at a future date.

There was another recommendation that the Housing Corporation assess the effectiveness of its social housing program and that the recommendation stemming from the evaluation should be considered for implementation to help improve the social housing program. Again, there was supposed to be an options paper submitted to the board of directors this fall for their review and consideration and decisions made and implemented by the — this is specifically around the violence of abuse policy in the appeal bylaw. I'm just wondering whether or not progress has been made on that.

Hon. Mr. Kenyon: Looking at some of the milestones in the implementation plan to the Office of the Auditor General of Canada and the performance audit, we had hoped to have that project done a little bit earlier. Without getting into any details, due to a medical problem, there was a delay. We hope to have that done later this fall; we are making progress on it, but there was a problem in there that slowed the response down.

Mr. Cardiff: I would also like to ask about another one of the recommendations, and they're kind of tied in together — in my mind anyway. Basically, one was that the corporation should document the inspection standards to be applied on its inspections of staff and social housing, and those standards were supposed to be applied during inspections scheduled for spring of 2010.

The next recommendation was that a checklist or other standardized method should be established and completed as evidence of inspections taking place — so to ensure that those inspections took place. Once the new maintenance reporting system is fully implemented, it should be used to ensure that all major components of each housing unit have been inspected and to monitor and prioritize the required repairs to those units.

Again, there was work that would be done during the spring and an analysis over the summer and something to be finalized over the winter to come. I'd like to know what progress has been made in those areas as well.

Hon. Mr. Kenyon: The member's quite right that these units are inspected on a regular basis. Part of what was happening here, of course, was one person had been doing all the inspections — particularly somebody with a relatively photographic memory. In retirement, that changed and the recommendation was made that we actually do a checklist for a wider range of people doing the inspections. That is done now. Everything is being analyzed.

We've actually worked on a bit of a matrix, classifying the various housing units from one to four: one being a very good unit, deserving of input and helping things along; two, it needs a little bit more work; three, it's starting to get iffy; and four, it's simply not worth putting more money into it, it's simply not going to get a return.

We have that in terms of social housing. We also have that in terms of staff housing on the whole management plan. So it's done; it's implemented and it's being utilized. Unfortunately, it is going to force the corporation board of directors to make some very hard choices because, as the consultant who

was here last week put out very clearly, housing in the past has been a federal responsibility. When the federal government abrogated that — when they left that as a responsibility and turned it over to provinces and territories — it left us with an inventory of housing that was pretty rough in a few places and then gradually cutting back the money that allows us to repair that — which is again why we have — that happened back in 1995? So that was 1995.

There is a decreasing amount that the federal government puts in as well. That part — while it's decreasing slightly now — becomes an exponential “dive” — for want of a better word — that ends with virtually nothing coming in. If that were to come to pass, we would be in extreme difficulty, and that would occur somewhere around 2029 or 2030.

We continue to negotiate and have meetings with the federal government. Sometimes that's a challenge in this portfolio. Many times the federal government has simply refused to meet and I think the ministers of housing for all jurisdictions share that as a very, very serious concern.

The checklist the member opposite mentions, yes, it's done; it is underway. I'm not convinced that we really needed it in the past, but we need it now, and that's a fair comment and criticism.

Mr. Cardiff: I agree; I think a checklist is a good thing. Regardless of how good your memory is, I think it's more a case of documentation and risk management so you can track what repairs need to be done and something doesn't get forgotten and everything is prioritized.

I'd like to know a little bit more about the standardized inspection method. I'm wondering how well these inspections are doing when it comes to checking for the extent of mould issues in Yukon Housing Corporation units. Are these units checked if there are moisture issues in the buildings?

It also talked about how, once the new maintenance reporting system is fully implemented, it should be used to ensure that all major components of each housing unit have been inspected and the need to monitor and prioritize the required repairs. I'm just wondering whether or not the Housing Corporation has installed any HVAC systems — the air-to-air heat exchanger systems in any of its units to deal with problems of mould and moisture.

Hon. Mr. Kenyon: Again, good questions that I greatly appreciate. Through the Canada economic action plan, we have \$7 million plus over two years to do this sort of work, so we have a good ability and some pretty incredible technical officers to go out and really look at these.

The problem with mould — I know that's such a huge issue up here — is visual inspections. Mould is sometimes hidden, so, short of ripping the plywood off or the drywall off, it becomes very difficult. A house or a housing unit that looks very good in one inspection can actually be relatively bad. I've also seen a little bit of mould around the corner and when the wall was removed, there wasn't anything under it. Visual inspections have limitations, but that's why we employ really good technical officers to do all of that.

With the member's indulgence, I'd like to comment on a previous question here. Certainly in Nunavut and Northwest

Territories, and an increasingly significant issue in the Yukon is housing. It has to do with poverty, it has to do with health, it has to do with education, it has to do with everything. We try to work with things in a tri-territorial — and work with our territorial counterparts, and continue to work with Canada on an appropriate plan for long-term, stable, and adequate federal housing funding that will ensure effective housing solutions can continue to be developed.

We have challenges — Nunavut has probably the worst challenges — but through the northern housing trust and northern housing funding under the Canada economic action plan, the Government of Canada has recognized the special housing needs of the three northern territories. The traditional funding programs from Canada that are available to the provinces are woefully inadequate to meet the housing needs of the north.

I would reference specifically one program where phase 2 — Northwest Territories was allocated \$255,000. It was referred to as the “affordable housing initiative.” We very rapidly dubbed it the “affordable house initiative.” We couldn’t even build a house, let alone a strategy over that.

The three territorial premiers have directed their respective housing ministers to develop a new approach for northern housing. Nunavut, Northwest Territories and Yukon Housing ministers believe good-quality and affordable housing is essential for the Government of Canada to achieve its objectives of sustainable communities and sovereignty in the north. The territories need long-term, predictable funding to build and operate housing in Canada’s north.

The other problem we’ve had with that, as I think the member opposite knows, is that so much of the First Nation funding in the rest of Canada has been geared toward on-reserve versus off-reserve. It’s difficult here when we don’t have reserves. Therefore, we have not been able to access the funding from either side of that program — or of either program. We are having some luck in trying to get that corrected. We’re not there yet but we are at least moving in the right direction.

The territories are certainly unanimous in calling for a new approach, and that’s the message we’ve got to get through to the federal housing minister. We support the essential role that housing plays.

As I say, through economic development, health, education, sovereignty, the whole thing — it’s all part of that and we’re aware of that. Sometimes it’s difficult to convince our federal counterparts of that as well. All three housing corporation have gained considerable momentum of providing housing to residents but positive action will cease if additional funding from Canada is not secured once the Canada economic action plan funding is spent. Then we become in a great deal of trouble. The social housing agreement with Canada does not provide enough funding to keep our social housing units in good condition. I agree with him. I agree with the member opposite — dead on. We’re aware of that and we constantly pound our federal colleagues with that. We try to work within that funding envelope that has been provided under the economic action plan, trying to avoid the issues. For instance, Nunavut is \$60 million overbudget. I mentioned that to CMHC and I’m told it

is well over \$100 million. We are aware of the challenges. We have to work within what we’re given and we aren’t given an awful lot.

Mr. Cardiff: Well, I’m glad to hear that the minister is going to throw his support behind the bill in the Legislative Assembly — or in the House of Commons.

I believe it is Bill C-304, which is about creating a national housing strategy and that the federal government should work with provincial and territorial ministers responsible for housing and municipalities, NGOs, First Nations and civil society groups. I do believe that just like we need a strategy here in the territory, we do need a national strategy and the government’s stance seems to be: “Let’s just lob a bunch of money out there and let individual jurisdictions do what they will with it.” Some jurisdictions have a strategy and others don’t. I believe we’re currently working on a strategy.

But the minister didn’t answer the question I asked, which was about mould issues. He said that he has seen mould issues here and mould issues there, that sometimes a visual inspection isn’t enough, and that they’ve got highly technical ways of checking for mould.

I’m just wondering about what type of air quality testing is actually being done in some of the older units to ensure that the health and safety standards are up to snuff for Yukon Housing Corporation units. The other question I asked was whether or not Yukon Housing Corporation is updating existing units by installing HVAC units — ventilation units that exhaust moist air and bring in cool air and heat it up in what’s known as an air-exchange unit — in order to deal with issues of moisture and condensation which, in turn, lead to mould.

So if the minister could answer those questions while he’s on his feet, as well as — his answers are getting to be a little lengthy — defining the process for dealing with health and safety complaints the Housing Corporation receives from tenants.

Hon. Mr. Kenyon: One of the problems that I mentioned before that is a constant problem — this is one of the reasons why we tend to approach things in a pan-northern or tri-territorial approach — is the federal programs that are offered to us. They most often dictate targets. In other words, we’ll give you X dollars and this is what you’re going to do. Well, it’s nice and it may work well in downtown Vancouver or downtown Toronto or Halifax, but they may not have any application in the north. That’s why we go as a unit. We discuss things with a unit. Many of the meetings with the federal minister are a combined federal-provincial or federal-provincial-territorial. We have the territorial meeting usually a day before so that we have the ability to lay out the territorial concerns.

In terms of HVAC and these sorts of things, I am well out of my area of expertise in this, but I would be very happy if the member opposite wants to set up a technical briefing and sit down with our technical officers and go through all of the various processes. I know they’re there; I just don’t have the technical wherewithal to get into it.

Mr. Cardiff: Okay, well, maybe we'll mark that one down for when the House rises, as we all know how busy we all are right now.

I'd like to ask the minister about what I believe was a recommendation in the Auditor General's report. It was in section 67 that the corporation will develop a draft strategic plan within the next 24 to 36 months for consideration by the board which addresses the issues — that was the response, actually; the corporation should include in its strategic plan specific and measurable goals and objectives to achieve its legislative and public policy mandate, analysis and selection of alternative ways to achieve objectives, performance indicators, and targets, expected quality and level of service to be provided to clients, identified risks, and its competitive strengths and weaknesses. I'm just wondering — there were some reports that were due over the summer and into the fall and, with an interim report a year away — that's the response, that it was going to take 24 to 36 months.

I remember during the hearing on this matter it was felt by the Public Accounts Committee that this seemed to be kind of taking a long time to develop a strategic plan for something as important as how the Housing Corporation prioritizes its objectives to actually get performance indicators and topics. I realize and recognize the challenges the Housing Corporation is faced with, with the influx of the stimulus money and the incredible amount of strain that has been put on the corporation and its staff, but it would kind of make sense that maybe the government would increase the vote authority for the Housing Corporation as well, because there were some issues around capacity that were identified during that hearing and by the Auditor General that when we're managing these types of projects — I know the Member for Klondike read out a list the other day, some of which are complete, some of which I find it hard to believe the government could actually take credit for.

I support them in providing land for things like Habitat for Humanity, but I find it a little insulting, actually, that they would take credit for the project itself, which is the hard work of people who want to be homeowners and a very dedicated group of volunteers who are actually on the job providing that, working with other NGOs and groups like the college and Skills Canada and Yukon Women in Trades and Technology to actually make it happen. The government should think about maybe providing more land for some of these projects that are being proposed.

To get back on the subject, it's about the strategic plan. What I'd like to know is, what progress is being made on the strategic plan? Once the minister responds to that, I have a further question related to that.

Hon. Mr. Kenyon: Actually, Yukon Housing Corporation does have a strategic plan and it has for a long time; it's just that the Auditor General had some issues and comments with it, so that's one of the things that we are sort of fine-tuning.

Under the economic action plan, we're analyzing the impacts of various projects. We have created an additional 10.5 positions to look at that. What the Auditor General actually recommended was that we take this long not only to create the

test, but to create the measurements of those tests and then to test them to get the proper targets and then, eventually, move into the rest of it.

So we're following the Auditor General's recommendations on that through the Auditor General's meetings with staff. What's called the integrated housing strategy — or strategies, plural — is now underway and being looked at with that. One thing that I do agree with the member opposite on is that it's a variety of people to come to the table in terms of solving problems or creating things. What would be disappointing would be to put it to one group and not to the others. It's difficult to build something on land that you don't have; that requires a partnership, and we're very pleased and very proud to be part of that partnership. I hope the member opposite is, as well.

Mr. Cardiff: I understand the Housing Corporation has a strategic plan and that they're working on updating it and the time frame was for the next 24 months to 36 months — that was last February. I believe the response was probably supplied in January. So 12 months have passed. I'm just wondering whether or not this project is on time and on budget.

Hon. Mr. Kenyon: I think February is accurate and February to now is not 12 months, at least on my calendar. We are continuing to work on that and to develop, as I say, the strategic plan that we've had for over 20 years, I should point out. It needs fine-tuning. Even on our own, we would be aware of the fact that it requires fine-tuning.

But the Auditor General made some good recommendations and recommended to us that we take awhile — that we create those measurements and test the measurements to make sure that we're on the right track to get those targets. So we'll go from the integrated housing strategy, which is now underway.

We will redraft the strategic plan as part of that and then, eventually, draft the performance measures and set the targets. That's what the Auditor General asked us to do and that's what we're working on doing.

The problem often does become the fact that you know what you should be doing — I don't think there's any question on a lot of that with our staff within the Yukon Housing Corporation — but the problem is that the Government of Canada has abrogated their responsibility for housing. We're also in a unique situation with First Nations, in that most of the First Nation programs in Canada don't apply here. So we have great limitations on what funding we have available to try to carry out that strategic plan. In fact, when money does come in, it usually has such incredible limitations and direction to it that it's difficult to say, wait a minute, that's nice — why would you turn down a big chunk of money for a project? — except that's not the project that really needs to be done. That's the frustration sometimes in dealing with this portfolio.

We know what's necessary; a lot of other people know what's necessary; but sometimes the federal government looks at it in terms of Kelowna or Belleville, and it just doesn't get translated into the north.

Mr. Cardiff: Well, I thank the minister for that answer. He keeps going back to blaming the federal government for limiting what funding can be used for. I think we're all

creative enough in the Yukon to be able to find ways to address the needs. There are other monies available, as a matter of fact. If the minister would go on the CMHC site, I know that there are other programs available where funding can be accessed by non-governmental organizations, if the Housing Corporation would like to work with them. What I'm looking for specifically is — and the minister has mentioned this — about the integrated housing strategies. What the Auditor General said was that it would be especially helpful if they had the research that identified the assessment of housing needs in the Yukon.

As well, there was some concern that people were living in housing units that were more than what they required, I guess, and it's because of what was in the housing stock — what the corporation had built — so there are gaps, actually. We have too many of one type of unit, but not enough of another type of unit, or none at all. That integrated housing strategy would hopefully address that. It would also help determine what type of social housing actually needs to be built and where it needs to be built. It would help the corporation decide on how to close the gaps, and there are a number of gaps. I thank the Minister of Justice for offering me a tour of the units over in Riverdale.

I'm not sure exactly what term it goes by now, but I believe it's the "affordable family-focused housing unit", and it's a good project. I think it will be valuable. But there are a number of other needs, and I do have some questions about that particular unit later. What I want to get to is the gaps that need to be identified and whether or not the Housing Corporation is looking at some of those gaps. I know that I've talked briefly with the minister about the project that I know the Leader of the Official Opposition has indicated his support for. It's about working with other departments, CMHC and other organizations for the Northern City Supportive Housing Coalition, because I believe that when we talk about the family-focused housing, the minister said the Housing Corporation isn't in the business of providing programming.

That's why there is no daycare, that's why there aren't some of these other things that had originally been promised in that project; they aren't there now. I'm wondering whether that gap has been identified by the Housing Corporation. It appears that it has because they are touting an Abbeyfield project that is kind of a modified supported housing project, but there are a number of other supportive housing projects like the one from the Northern City Supportive Housing Coalition, but it requires working interdepartmentally. I'll refresh the members opposite — I don't have that document in front of me, but I believe it was called, *Working Without Boundaries* and it is about breaking down those silos and working departmentally. We could be addressing issues — the Housing Corporation could be addressing issues, working with these NGOs and community groups on supportive housing for people with physical and mental disabilities, youth at risk and second-stage housing.

These are all, what I would say, what people are telling me — a shelter for men who need some support because their employment situation and their difficulty — whether it be in physical difficulty or having mental health issues, unemployment, it could be depression, having literacy problems, being

illiterate and not being able to access — but it's about that support. It requires working with the Minister of Health and Social Services, the Minister of Justice, the Minister of Education, the Minister of Community Services, working with CMHC. These gaps are what we're hearing on a regular basis from the public. That's what the whole concept behind the integrated housing strategies, in my mind, is about. It's about the review of the principles and an analysis of the housing market.

And it's not just the housing market, but it's about what the needs out there are and working with the community to address those gaps. So I would like to know what progress has been made on developing the integrated housing strategies. I realize the response said that it would take quite a bit of time to do this — 12 to 24 months, by the looks of it — and I'm just wondering if we're on track with this because this is an urgent issue; people are in need out there. We're building seniors housing, and we're building family-focused housing, but it appears to me that there is a segment of our society crying out for assistance in their housing. One of the biggest issues in our society today is to have adequate, safe housing.

Hon. Mr. Kenyon: With apologies, this is going to take me a few minutes to answer because the member opposite has scattered around on a variety of different issues here, and some of the information isn't quite correct and does need to be corrected.

I'll give some examples here. Statistics Canada does an analysis of housing in the Yukon. They do it every five years. I would submit that five years ago, things were quite different from what they are now. So how reliable is that data? Hard to say — but the problem is that it may well not be that adequate.

The other thing is that, in terms of types of unit — that was a comment that the Auditor General had made — the size of the units and everything else. The problem is that the Member for Mount Lorne has to understand that you can't solve this sort of issue based on a current need, because that will always change. You can build single, one-bedroom units and suddenly you have a whole string of families on the way and those who can't move into it because they're only one bedroom. Likewise, you can end up with a few three-bedroom units and have mostly single families that want access to it. I'm not going to keep someone on the waiting list because it's a three-bedroom. There are challenges there. The Yukon Housing Corporation, as well as all the various community housing boards, have to look at those sorts of gaps and see where it's going to be.

The same thing comes in with staff housing. Somehow, that whole area seems to have been forgotten in this debate. You can't very well go and say, "Well, we're going to recruit a conservation officer. That conservation officer can be married and have one child, but if they have two children of the opposite sex, we can't house them, so we can't consider them." There are challenges in that area constantly.

What the board did look at through the integrated housing strategies were the various groups — seniors, the family size, small versus large, energy efficiency — because it's easy to build something on one hand, but if you've got to operate it and it's going to cost you two or three times the amount of money

to operate it, then you've really accomplished precious little. These are just some examples of some of the things.

Again, in terms of the federal government — Canada — earmarking or tagging various programs for single things that aren't necessarily within the needs, as we develop a social housing program — the affordable housing program came in, and it came in quite differently from what we had. For instance, phase 1 — we could use it for home ownership programs; we could use it for home repair programs; we could use it for social housing initiatives; we could use it for affordable housing. We could even potentially get some in there for staff housing, although I think we're having some challenges with that.

We're now in phase 2: social housing, period. No flexibility, no discussion of other things being essential to do on that; it's pretty limited in terms of what we can do.

The other thing that I do want to correct — and some of the other things before I get sidetracked here — the Yukon Housing Corporation does work in close conjunction with Kaushee's Place, with Gateway Housing, with Options for Independence Society. There are all sorts of partnerships and, again, it's all about partnerships; we can't say that one did it and the other one didn't. The affordable housing initiative right now is \$1.7 million and we're working with the non-government organizations, or NGOs. That's not part of Canada's economic action plan, so we do have some flexibility. The problem is that it permits up to \$75,000 per unit, which means there's a lot more money coming in from someplace else so, again, it's a partnership structure, but it's not necessarily going to build something. We're hoping that NGOs have some projects and programs where this would be of assistance. That will continue to evolve and, eventually, if there is money left over — and perhaps there will be, we don't know — then we'll start looking at other organizations and other individual contractors in the private sector.

The member opposite mentioned some questions on the Riverdale project and its number of names, I suppose. So let me give a little bit of history on that, which will hopefully make the discussion go a lot more.

The Member for Mount Lorne referred to daycare as a "promise." It was certainly never a promise at any level. It was, however, a concept and it was a concept that didn't pan out — again, making decisions with data, two potential problems with that. First of all, the housing program and the federal money that was available for that was available for housing units — daycare isn't a housing unit. So as soon as you would describe or think about putting a daycare in, that money will not work for it. They will not permit you to use it.

The original concept that I had — based on some experience I had in the States — was to create one large building with a single courtyard so that you could have play areas, et cetera, where you could turn your children loose and they're not going to go anywhere — they couldn't. I've seen it used with Alzheimer's patients, for instance, in some facilities. I've seen it used with daycares. I've seen it used with a lot of different things. That was soundly rejected in consultation. So obviously that wasn't one of my better ideas.

The concept then was to have four buildings interlocked with fences so that children going out one set of doors would be confined within that area. We are well underway with that, obviously. There are 32 units. One of those units actually will be for a Yukon Housing Corporation employee. It's to be an office. The original concept that I had was that somebody in there would act as sort of a central person and actually live there, but that also didn't go over too well, so now it's going to be an office. That individual will be responsible for much more than that complex.

One of the problems we've had is that we do have staff members who look after various housing units in terms of people going in, people coming out, collecting rent, repairs — all of the things that are involved in running apartments, basically. We have built so much social housing over the last bit of time that unfortunately — or fortunately — I think it's a good thing — we exceeded the capability of the staff there and they need help, so we are putting in another person. They will be out of there initially, and we'll see how that goes.

The total project cost is estimated at \$7.85 million, and it is based on a variety of multipliers from the Department of Economic Development. It will generate just over 50 person years of direct employment and approximately 10 additional indirect person years of employment. As I mentioned, it consists of four individual buildings, each containing eight apartments, all to SuperGreen standards.

That's sort of an overview of the project. I should mention something more about the daycare. Before I get into that, I would just point out the new units we're building — hence the need for that extra staff person — we have 32 new units in the Riverdale project, 12 in the Abbeyfield, 30 on the waterfront, six in Ingram, six in Takhini — and that's just what we have built or are planning to build in the spring. That's 86 new units. We definitely do need somebody in there to look after that.

I do need to mention the rest of the story on the daycare. There are good statistics provided by the Department of Health and Social Services, which is responsible for daycares, on what the break-even point is — again, doing a business case or business plan and making decisions with data and not on sheer speculation. So we looked at what you need to run a daycare. How many kids would be at the central point to that daycare? Then we compared that to the Yukon Housing Corporation statistics of that waiting list, that target group of single parents — 75 percent of which are women, 25 percent of which are men — it's not an all-women's issue by any means.

What is the breakdown of the children they would likely have? We found that a certain percentage would be over the age of 12 and likely not need daycare. A certain percentage obviously would be under. When we really looked at it, we likely would not have enough kids in that complex to support a daycare — especially when you have a number of private daycares in the immediate area who probably wouldn't be really impressed at a government-run or government subsidized daycare potentially taking away from them, which would be the only way to make it run. So, you put all of those various factors together and, like the seniors, you have an idea of the kids wanting to age in place and develop that as a neighbourhood.

You also don't want to isolate them. You don't want to ghettoize them in terms of having everything within that building. You want to allow people to get more involved outside. So, those are more of the stories of daycare. As I say, it was never a promise, but it certainly was a concept that I had hoped would go over well. There were some good business cases as to why it wouldn't, and the people in the area didn't want it; therefore, at this time it's not planned to be a part of it. Does that mean that it never will be? No. Because as groups of people move in we have every hope that they will form their own tenants association; they will develop their own wants and needs and, hopefully, it will turn into a nice little community.

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. 22, *Second Appropriation Act, 2010-11*. We will now continue with general debate of Vote 18, Yukon Housing Corporation.

Mr. Cardiff: I'll just find my spot here once again. I'd like to thank the minister. When we left, I had asked a number of questions related to the integrated housing strategy, among other things. As I said, I had further questions with regard to some other matters in the Auditor General's report and the responses that had been supplied by the department.

I mentioned a number of issues around the identifiable gaps, the ones that I see and that I hear about on a regular basis.

I'm going to focus my comments and questions in that area. I recognize that the Housing Corporation doesn't provide programming, but they can work with NGOs and other departments — that whole concept of *Working Without Boundaries* — the Women's Directorate, the Department of Justice, the Department of Health and Social Services, the Youth Directorate — to address some of those gaps that we're hearing about more and more every day.

The minister talked about the federal government abrogating its responsibility and not providing enough funding. He's in support of the motion in the House of Commons standing in the name of Libby Davies, the Member for, I believe it is better known as the "downtown east side" — I had it here a few moments ago — the idea of a national housing strategy where needs are identified. Obviously what the minister is saying is that the needs of Toronto or Bellevue or Vancouver aren't necessarily the same needs that we have here, but a lot of them I believe are very similar needs, like the need for supportive housing for young people.

I don't want to be critical of some of the other programs, but if they're not quite meeting the needs, then we either need to look at those programs or we need to look at other programs that are going to work.

One of the needs was for second-stage housing. I asked a question in the House earlier in this sitting about second-stage housing and the need for second-stage housing. I believe that CMHC has a role to play. Yukon Housing Corporation is play-

ing a role with the Yukon Women's Transition Home Society, I believe. There are some obstacles to overcome. One of them is a piece of property. I know I offered to go looking for a piece of property with the Minister of Justice and the minister responsible for the Women's Directorate, but there are also some other things at play here.

I had a young woman — and her story ended up being printed in the media, but the issue was that she was at risk. She had been in the shelter; she had been out of the shelter; there had been another incident; she was back in the shelter; but the information I was told was that six people had applied for the second-stage housing and there was one unit coming available.

At the same time, the Housing Corporation had taken a social housing unit off the market, basically, so it could be used. I believe it was used temporarily as a stop-gap measure for the receiving home. There was a new receiving home built, something that was much needed in the housing field.

It was a social housing unit that was taken off the market for that reason, but it wasn't put back in as a social housing unit because it was being used as a temporary emergency youth shelter when there were actually other facilities at the disposal of the Minister of Health and Social Services. This is an important issue because we've got young people on the street and, in many cases, these are young people who are the responsibility of this government and of the Minister of Health and Social Services. These are young people who are in group homes — and they're going to participate in day programs where they receive counselling and help in gaining employment skills, life skills, how to actually be an employee, how to fill out forms — where they're nurtured, where they're cared for. So there is that gap there.

That's a need, and they're not getting it at the emergency youth shelter. They're getting it from other organizations like the Boys and Girls Club or the Youth of Today Society. It would have made a lot more sense to maybe have some of those kids at the facility that's right next door. My understanding of it is that there's a priority list where women who are victims of violence or sexual assault, who are in need of either second-stage housing or are transitioning out of second-stage housing into the rental market, are given a priority on the social housing list. This person I was talking to, and trying to assist, ended up in a hotel because a social housing unit wasn't available. She actually had to pay money out of her own pocket to stay in that hotel because there wasn't a social housing unit available. It was being used for an emergency youth shelter when there were, in my mind, other options available.

So the point is: how do you address that gap? Why was that social housing unit taken out of service for the receiving home? I understand why, I believe. I'm not sure if there were other arrangements that could have been made, further, for the temporary emergency youth shelter. Like I said, these children — these young people — are the responsibility of the government. Would it be good enough for the minister's children, whether it be the minister responsible for housing or the Minister of Health and Social Services or any of the ministers — to put these kids through that and treat them like that? Now we find out that they're going to go back to the detox centre. I

don't think that's appropriate. I'd like to know whether or not the ministers on that side of the House feel that's appropriate — would that be appropriate for their children? — because I don't think it is.

Now this may be a little bit of a tough discussion, but the reality is it's all about those strategies and how we deal with these issues. So we've taken that unit out of circulation as a social housing unit and we've used it for a temporary emergency youth shelter that could have been housed right next door.

Both the Minister of Health and Social Services and the Minister of Justice toured the facility just months before this decision was made to do it. I might add, at this point, that I was promised a tour of the new temporary emergency youth shelter and the renovations that are taking place at the detox centre, and I still have not received the phone call that the Minister of Health and Social Services promised me. I'm a little disappointed; in fact, I'm quite disappointed that that hasn't happened, because I want to see what's going on over there.

It's kind of the long way around to asking why the Yukon Housing Corporation decided to take that unit out of being available when there's a demonstrated need of priority for women who are fleeing violent situations and need that housing.

The other question about that is whether or not they're going to be given priority at the new affordable family-focused housing project in Riverdale. While we're on that topic, I realize it was supposed to be — the minister has said this before — targeted at single-parent families, 75 percent of whom are women and 25 percent are men. I can support that, but what I'm wondering is, if it ends up that one of these single parents gets into a relationship, will they face eviction if their partner or spouse ends up moving in?

I think that's enough for the minister for now and I'll await his answer.

Hon. Mr. Kenyon: A lot of those questions are very easy to answer because they have absolutely nothing to do with the Housing Corporation.

Second-stage housing is not — although we are working closely with Women's Directorate, we work closely with Kaushee's Place, et cetera, et cetera, the actual mandate is not something that we work with. Kaushee's Place runs their own business; they run their own — for want of a better term, they evict their own clients. Who comes in, who goes out — it's theirs.

Now what the member opposite is confusing this with is our own prioritization or the board's prioritization of victims of violence, which came in around 2006, I guess somewhere in that area, and prioritized various subgroups such as victims of violence, seniors, or not, in rural communities who need to get close access to the hospital for medical care, and a variety of other things. There is a whole structure in there. That is something within the Yukon Housing Corporation, not within Kaushee's. As I say, they run their own thing in there.

We continue to use this Canada economic action plan to address various gaps and needs, but we have more gaps, we have more needs. We are aware of that and there is more

money necessary, but again, there are small amounts of money from the federal government with the federal government abrogating much of the funding and turning over social housing to the territories, and then gradually from now until 2010 withdrawing that funding. At the moment, slightly later, exponentially, it just drops to nothing very, very quickly. It's the lobbying to the federal government that's really necessary on that.

I'm a little concerned about a few places. I mean, one of the things obviously that we could do would be to have a whole bunch of places that were available for a particularly subgroup. I'm suspicious that it wouldn't be long before we exceeded that number and we went back to the same problem. So we're always — and obviously, in building those types of facilities, we would then have the problem of not building them for other subgroups and we'd be back into the same discussion but for a different group. It's always a balancing act and that's something that the board has to always do.

I have to take a bit of issue with the member's comments about the problems of taking one unit out. Is he saying that by putting 32 units in Riverdale, 12 in the Abbeyfield, 30 at Waterfront Place, six at Ingram, six at Takhini — we've created in that same time frame 86 units compared to one that came out for a short period of time while the children's receiving home was built. Again, that was in conjunction with Health and Social Services and, to a degree, Justice.

We have to work with these challenges, as they continually come up.

The other thing the member opposite mentions — the sort of "what-if". After the other day, I'm suspicious. I don't really want to go into what-ifs. But what if — as a single-parent facility — someone in there gets into a relationship? That's going to have to be dealt with on a one-to-one basis. It will have to be dealt with by the Yukon Housing Corporation Board of Directors, which is reviewing ideas of that — specifically of the Whitehorse Housing board. I do have to point out, however, that in British Columbia, for instance, if that were to occur, the people would be promptly thrown out. I'm not prepared to do that. On the other hand, I'm really not prepared to have the place migrate into something that it really wasn't designed for — where we know that is the biggest need.

So that's something that the Housing Corporation Board of Directors and the Whitehorse Housing board is going to have to look at. They're aware of it; discussions have happened; and much more will occur, no doubt. We're working on policy on that, but we don't have anything firm. We have to be reasonable to the tenants involved, but we also have to be reasonable to the Yukon taxpayer and the housing needs in this territory. It's a fine line. It's not going to be an easy decision — I agree with that.

Mr. Cardiff: Well, I would hope the minister wouldn't throw anybody out. It's not his job to throw anybody out. The question was what would happen? Is there a policy? I'm glad to find out that they're working on a policy. It would have been a little bit better, given the fact that it's open, if there was a policy in place prior to it opening, but at least there's progress being made on that. I would encourage the corporation to get that policy in place, because it's important to have it in place so

the people are aware of the policy and the circumstances prior to moving in and how that might be dealt with.

The minister didn't want to answer the question about the social housing unit that was being taken out of service. I guess if there is a priority placed on persons who are fleeing violent situations, in my view it might be a good thing to have that unit available. The minister cited the 86 units the corporation has built.

Well, I would like to inform him that there are 31 units in Riverdale, and I don't believe anyone has moved in yet. I toured the facility. I understand they're working on whittling down the waiting list of the people who have applied for housing. That's a great thing. Some of the other units that the minister is citing are still under construction, or about to be constructed, like the Abbeyfield. I know there some electrical services were moved recently. But, to the best of my knowledge, that project is not ready to move into yet, either. So the minister needs to not get ahead of himself on some of these matters.

I would like to ask the minister another question about social housing: can the minister tell us what the current wait-list is for social housing, and can he also tell us how many of those waiting are seniors?

Hon. Mr. Kenyon: Just to sort of finish off on the first comments there, the member opposite is making a huge assumption that for an individual case — and I'm not really prepared to get into individual cases — that when that person needed a place, that one that was being used as a temporary fix for the receiving home, that it would have been available and not with somebody else. It supposes that she would have been on the top of the waiting list. The waiting list is flexible; it changes on a day-by-day, sometimes hour-by-hour basis. It's based on a lot of suppositions and again we have to deal with reality on this side of the House. The reality is that was a good use to get that children's receiving home built and specifically to get somebody moved over there so we could get the old one torn down because it needed it. I agree with that. I have no problem with that.

In terms of the waiting list, as of July 31, 2010 — which is what I managed to get here — non-seniors, 80; seniors 48. Now that will go down considerably as the new facilities open and things happen in that, but that's July 31, 2010.

Mr. Cardiff: I'm glad we are making some progress on that but, as I said earlier, there are still gaps that aren't being addressed in the housing market, particularly around supportive housing. That's where this money is — the affordable housing initiative money, I believe — the \$75,000 per unit. I'd just like to know how closely the government is working with some of these non-governmental organizations — how closely they're working with them to help them, to use the minister's terminology — I don't know if I totally agree with it, but basically, to make the business plan bulletproof and also assist them in securing other sources of funding — hooking them up with foundations that will provide seed money and working with banks to provide financing.

It's my understanding that a lot of these people are volunteers and they're working hard to address those gaps that are highlighted in the Auditor General's report, I believe, and those

supportive-housing types of housing. If the minister wants to call them "subgroups", that's fine, I guess — if that's what he wants to call them — because we're talking about people with mental and physical disabilities and people who are difficult to house. They have a different housing need. The minister understands this — I know he understands it — and it's not an easy gap to fill, but we need to fill it because we need to be able to, number one, provide opportunities for people to be housed with dignity and to be treated like all other citizens here in the territory. It's going to payoff, I believe, in the future.

There were some figures cited in the paper the other day about just how much — and I don't think that's necessarily the main reason to do it, but when governments are faced with tough decisions about how to spend money, if they look at what the payback is over the long term — just like they did with asset-backed paper — then maybe it would pay off in reduced health care costs, reduced costs to the justice system and reduced costs to the education system.

I understand that the Yukon Housing Corporation is not responsible for their programming, that it's going back to that *Working Without Boundaries*. It's about working with the Youth Directorate, the Department of Health and Social Services, and especially working with these non-governmental organizations that represent subgroups — if that's what the minister wants to call them. I think they're citizens of our society and they have individual housing needs just like anybody else. Some of them have specialized housing needs and they need to be addressed.

I think those are the gaps that the Auditor General was hinting at to some extent. I posed a number of questions and I'm not going to summarize them again. I think the minister and his officials were making notes and I'll await his response.

Hon. Mr. Kenyon: Yes, I have a few comments on that. When the member opposite talks about gaps — we will always have gaps. No matter what you do — you could build 1,000 units and designate them and somewhere along the line there will be a gap in there somewhere to talk about. That's difficult. When you have limited funds, limited capacity, limited everything, really, to build units, you have that problem in terms of how to deal with those gaps. The rental vacancy today is less than one percent. In December 1999 it was 19 percent. There were lots of gaps that you could fill with that. Right now, we have problems of another type and the difficulty is to try to deal with people and their housing needs as they come along and in a flexible way.

The member opposite referred to the Auditor General saying something a minute ago. What the Auditor General said was that there were some people living in units that are too big. Yes, she was quite right; absolutely. The problem becomes, how do you build? Do you build all one-bedrooms and then, when you have a large family, bingo, a gap, you have no place to put them? Or do you build large facilities and sometimes there will only be one or two people in a three-bedroom home? Not ideal, not the best way to go, but sometimes that's what's going to happen.

Do you have a staff house that puts somebody in the position of hiring a teacher, for instance in Pelly Crossing, and say

they can have a spouse and one kid, but they can't have two kids of different sexes, because we don't have a house to house them, sorry. That's a limitation. There will always be gaps in there to work with that.

We do continually look at, for instance, converting some of the units into duplexes. It's expensive; it's not very viable. Could you turn a duplex into two singles? Probably just as challenging. We do look at that; we do evaluate it.

The member opposite seems to have problems with the term "business case". But we're in the business of not only providing these services to those who need them, but we're also in the business of protecting the assets and protecting the money of the Yukon taxpayer. Yukoners own the corporation, and they own the assets. To make the business case for that, we are a bricks-and-mortar corporation. Now, we've been a bricks-and-mortar corporation at least 20 years — probably more — through an NDP government or two, through a Liberal government — what little time they had. And if the Legislature wanted to change that — fine. I think the corporation would do a marvellous job at it. But right now it is a bricks-and-mortar corporation. Consequently, you have to deal with that.

To give an example of some of the partnerships — yes, we are well aware of that and the corporation is very well aware of that. For instance, with Options for Independence Society, Yukon Housing Corporation is paying \$150,000 to upgrade the sixplex in Whitehorse. Work is underway. Also, under the Canada economic action plan, we provided another \$70,000 for their duplex. We work together. It's the best way. It's the best "bang for the buck," so to speak.

We have \$50 million to spend on construction in two years. The difficulties with that, of course, are do you plan for \$50 million and come under and leave a couple of million unspent? Or, do you over-commit — say we're going to build for \$52 million and hope they come under, and when they don't, we've exceeded spending authority?

You really have to commend the Housing Corporation and the Finance people, in terms of trying to walk that fine line and come up with a set of projects that are flexible to get things built. We've had things come in 30 percent underbudget. We've had things come up almost 30 percent overbudget. We constantly have to be working with that.

But we do work very carefully with a lot of different groups: Options for Independence Society is one; Kaushee's Place is another; and Help and Hope for Families Society. We try to find a number of different and creative ways to work with them. I think the community development fund got involved in Watson Lake on that one as well. The Dawson City Women's Shelter is certainly another one. There are constantly moving challenges. I've had people in my office who felt that we should have dog-friendly apartments that be kept vacant in case someone comes along and has a dog.

I build housing for people, not dogs. Can you imagine if we said, "Well, don't worry about that apartment. That's in case somebody comes along who has a dog." It's not going to happen. We have the same problem in so many other areas. We can't build a three-bedroom and then say, "Well, there's only two single people on the waiting list, and we're going to leave

it vacant." It's the same thing with the Riverdale project. If we don't get the full uptake — and I can't in my wildest dreams imagine this not happening. I'm sure that we will, and probably several times over. But should the unlikely thing occur, where we don't have people to put in them, I'm not going to leave them vacant. I don't think that's a reasonable course of action. That's not my impression of what the corporation's board of directors has said. But we have to work within those areas. Plugging one gap will undoubtedly unplug another. That's just the nature of what we do here, unfortunately.

Mr. Cardiff: This is beginning to sound almost like Question Period. But it's not about the answers — just so everyone knows — it's about the message.

The message from the minister is loud and clear, I think. I don't know if it's the message that Yukoners are going to believe in. I would like to ask a question specifically about the Alexander Street residence. It's being replaced, but it's my understanding that an assessment of the building was going to be done and that it does not meet the current standards. I am just wondering how close we are to receiving the assessment of that building and a decision on whether or not it will be torn down, or renovated and upgraded so that it can be kept in service.

Hon. Mr. Kenyon: We're mostly focused on the construction right now of what it will be eventually renamed as 22 Water Place — or Waterfront Place? Anyway — the new replacement.

The complex has 24 one-bedroom units and six two-bedroom units. It's coming along well; I think I mentioned in the House before what we're aiming for, which is March 31, 2011. It is really moving along quite well. Highways and Public Works is the contracting authority for the completion, but we'll be responsible for the ongoing operations and maintenance.

The development really does help to address an aging Yukon demographic, as well as research findings noted by both Yukon Housing Corporation and the Auditor General of Canada, which suggested the need for one-bedroom units. Again, what the Auditor General really said was that there were some people housed in units that were too large.

In talks with our Statistics branch, one of our challenges there is not only people staying in the Yukon — retiring and staying here rather than retiring and leaving — but the number of people who are coming to the Yukon and bringing aging parents or grandparents with them. We have both problems and that's a huge challenge.

The direct and indirect impacts of that job are estimated to be 56 jobs and a \$5.4-million contribution to the gross domestic product impact.

The capital cost of the project is \$12 million expended over the fiscal 2010-11 year. The project is eligible for 100 percent federal funding for all but the common space area, as I mentioned before, which accounts for about 10 percent of the overall costs. The federal project funding is \$10.8 million; Yukon Housing Corporation is funding the balance of \$1.2 million for common space. That will be coming mostly from the seniors housing management fund. Common spaces include

such things as a common kitchen, dining area and a craft room as that develops.

It is close proximity, walking distance, to medical, shopping, food, public transportation. The existing 13-unit Alexander Street apartment that the member opposite refers to was constructed back in the 1960s and is largely comprised of bachelor suites. It's simply not designed for seniors. It's not very accommodating; it's not barrier-free, and the building assessment we would expect to be done in 2011. I think the important thing to remember, however, is that the assessment will be done once the building is cleared. It makes little sense to disrupt — especially though the winter — the residents of that building by having engineers and such running around, prying baseboards off and looking for mould and this sort of thing.

We'll do an assessment once the people are out of it and we'll make decisions at that point. Again, that's part of a business case. It's part of making a decision with data and not just sort of speculating and hoping that when we get into the building we're not going to run into a disaster. We'd like to know what that status is.

Mr. Cardiff: They might want to look at the checklist when they do the inspections that we were talking about earlier that would identify some of the issues with the building. I have some further questions as well. I'm going to ask a few further questions about some of the other programs — the mortgage financing loans, in particular. I'm just wondering what the process is when someone goes into arrears on their mortgage with Yukon Housing Corporation. How long do you give people before you foreclose? Is there any sort of recourse through appeal? Is there a formal policy?

I mean, this is an issue around people who can't afford to make payments. Is there refinancing available, and is there any loan forgiveness through that program at all?

Hon. Mr. Kenyon: For the member opposite, just to touch quickly on Alexander Street which he threw another comment out on — I think the Yukon Housing Corporation pumped a fair amount of money into the 207 Alexander Street building until Canada's economic action plan was created. Now, not so much; because we're building a new building, we want to know — get those people moved and then go in and do that assessment. The checklist is certainly part of that; I would hope that the member opposite isn't suggesting that the people doing the assessment wouldn't look at that without — anyway, I hope that's not what he meant, but we'll leave it at that.

In terms of arrears management, there is an appeal process; there is an appeal bylaw; there is an appeal committee of the board; that is explained carefully to them. Looking at some of the arrears management, the program delivery branch administers lending programs targeting toward Yukoners of all incomes.

I do have to go back to the comments of the Auditor General, and I quote: "The Corporation has adequately managed its lending programs as it has a good collection record and few defaults on its loans." That's to put that into context.

Clients who fail to make their loan payments in accordance with the agreed upon terms of financing are identified on a

monthly loan client arrears report. Program delivery staff is responsible for assisting individual clients to maintain good standing with respect to their loans and the staff members are directed to exhaust all reasonable avenues to bring loans that are in arrears back into good standing.

To provide program delivery, staff members with a clear conscience for managing loans and arrears — that's the real purpose of this whole thing. The main guiding principles have to be that the Yukon Housing Corporation program delivery staff members exhaust all reasonable attempts to support clients who have been identified in the monthly loan client arrears report. The principles reflect an attitude of respect for individual circumstances and abilities and provide the framework for program delivery staff to follow relevant legislation.

The goal of the guiding principles is to enable staff members to successfully assist clients who are not in good standing on their loans to achieve good-standing status.

The principles are really to provide individualized services, to review client files on an individual basis, consult with clients about their individual needs, preferences and challenges, and respect individual circumstances. I must stress that. Certainly, on the floor of this House we're not involved in going into individual cases. I'm giving the general principles, which was the question. The principles are to offer options that could potentially ease financial burdens for those clients who've demonstrated that this would be beneficial, and options that could assist the clients to achieve and maintain good standing on their loans utilizing a least-to-most intrusive approach and offer options that may remove the clients' financial responsibilities only as a last resort.

We have to minimize Yukon Housing Corporation's risk of financial loss. We are the caretakers of the public's money. This may be achieved by supporting clients to succeed, with the ultimate goal being that all loans will be repaid. In situations where a loss is unavoidable, program delivery staff will minimize losses to both the clients and Yukon Housing Corporation. In all transactions and agreements, the stipulations of the relevant legislation will apply. These include, but are not limited to, program delivery lending guidelines, the *Yukon Housing Corporation Act* and the *Yukon Financial Administration Act*.

We have a number of tools. The program delivery staff members have a number of payment options to offer clients who are in arrears on their loans to achieve a status of good standing. Details of the arrears management tools are provided. I'm happy to go through those — repayment options, client credit counselling, which is provided by the Yukon Housing Corporation, and flexible payment options. We could have deferrals, adding mortgage payments to the end of the loan, capitalization, adding arrears to principal balance of the mortgage, or re-amortization or extending the life of the mortgage. If clients are clearly unable to regain a status of good standing despite the options available, program delivery staff may be required to support the clients to put the home on the market for sale or sign the home back to the Yukon Housing Corporation — what's called a quit-claim deed. Only if the options to support clients to regain good-standing status on their loans have

been exhausted without success and the clients are unwilling to resort to the two options noted above will program delivery staff members resort to legal action to minimize the losses to the Yukon Housing Corporation. The quit-claim, I have to mention, is not an option that is offered necessarily to all clients. Legal action may involve foreclosure or small claims.

Arrears management processes are determined by the terms of the arrears for the purpose of determining the processes to be utilized in resolving an arrears situation. Arrears are broken down into three terms: short, mid and long. Details — we could certainly get into that if the member opposite would like, but the goal of the arrears management process is to address problems while they are short term and while following the guiding principles noted above. If each client in arrears is able to address the underlying issues that resulted in the situation of arrears, then medium and long-term arrears can be minimized. This results in positive outcomes for both clients and Yukon Housing Corporation.

That gives a bit of a broad overview. Again, I'm happy if the member opposite wants to get into individual tools and individual processes, but I hope that gives him a broader spectrum.

Mr. Cardiff: I hope that'll be helpful with some of the work that we're doing. If the minister wanted to send a copy of those guidelines over to my office that would definitely be appreciated, because he did go into quite some detail about that.

I'd like to ask the minister some questions about the home repair program. I'm wondering if he could give us the *Reader's Digest* version of the process for getting a home repair loan. Who actually gets the funding? Is it the homeowner or is it the contractor? I'm going to start there, and then I have some further questions as well.

Hon. Mr. Kenyon: The home repair programs really are on application, so anyone who has an interest in that should come in, talk to the staff and apply. As a result of the application, there is a financial review that would take place to determine the person's eligibility, which is primarily being able to afford it. Getting someone into a position to take a loan that they can't possibly afford to pay makes no sense at all, so "eligibility" in that sense. From that point, the house is inspected, and, yes, there is a caveat in here that says that if you're going to do the repairs, it must be brought up to code; it only makes sense. Specifications are done; everything is put together. At that point, the homeowner is encouraged to go out and get competitive quotes on the work. We have a contract with the homeowner. The homeowner has the contract with the contractor. We have basically no direct dealings with the contractor at that point, so it becomes the responsibility of the homeowner.

There are additional programs that I do have to point out. I think the member opposite is aware of them, but I sort of have to push them. There are also additional funding programs for disabled occupants for a total of \$50,000. From \$35,000 it goes up to \$50,000.

There are subsidies available for low-income people, so there are all sorts of capabilities in here. That's generally the progress of application review: eligibility, specifications and quotes. There is a home inspection in there and there is a re-

quirement to bring it up to code. Once the work is done, there is an inspection to make sure the work was done. You don't want to be loaning somebody the money and then find out the work was never actually put out.

I hope that's of some help to the member.

Mr. Cardiff: I thank the minister for that answer. This is lending some clarity to the process, so my understanding is that there is an inspection; there are some specifications about what work qualifies in order to bring it up to code. So the Housing Corporation makes recommendations to the client about which work should be done that fits with the program, then the client gets prices and enter into a contract with the contractor.

Once the work is done — before the government or before the corporation pays out the money — the corporation goes and inspects it to make sure that the work was completed adequately before releasing the funds. Is that correct?

Hon. Mr. Kenyon: I think the member opposite went a little sidetracked on that. It's the client who is responsible for getting the quotes. This can sometimes cause delays, especially in a hot economy when there is so much work available. I do apologize for that but, in these hot economic times, there can be delays and we're aware of that. The payments then are made based on the value. In other words, the value of the work that was done, what the client has seen done and what the contractor has done — all of this goes together based on inspection by our technical officers, by the Housing Corporation technical officers — basically quite correct otherwise.

Mr. Cardiff: Okay, I think I got it. I think I understood it the first time. I may not have communicated it back. It's the client who gets the quotes and enters into a contract. The client has a contract with the Housing Corporation for the financing, but the client has a contract with the contractor to get the work done. The key part here for me is that it's monitored by Housing Corporation technical inspectors so there is some accountability for the money that is being spent. We're ensuring that the work that was supposed to be done is actually getting done and that the money is not being used for some other use outside of the actual home repairs that were specified by the Housing Corporation.

I'd like to ask the minister this question: when the payments are made, when the money is released from the Housing Corporation, is it released to the client or is it released to the contractor?

Hon. Mr. Kenyon: At the risk of confusing the member opposite even more, there are actually two contracts available. Basically the contractor has a contract with the homeowner — that's basically on performance — and the Yukon Housing Corporation has a contract with the homeowner, which is normally called a loan. So there is both a performance and a financial document on that.

Under most circumstances, the homeowner would then submit receipts to show the work was done, and it also implies they're happy with it. Once the homeowner is all happy with that and signs off on it, the cheque would then be made out to either the homeowner or, if the homeowner agrees, it could be

made out to a combination somehow of homeowner and contractor.

There could be so many smaller points that the actual inspection by Yukon Housing Corporation technical officers may not occur on every single thing. It certainly would occur, I would assume, on major things. If there is a joint cheque to both the homeowner and the contractor, the homeowner is still responsible to sign it and take responsibility for the fact that the payment was done, especially related to the Yukon Housing Corporation side of the contract, which is the loan. I hope that made sense.

Mr. Cardiff: Thank you. I think I understood this correctly. In the cases where the Housing Corporation actually pays the contractor, the client is required to sign off the cheque before the contractor who did the work is able to cash it? Is that correct?

Technical inspections ensure that the work is up to code. There was this requirement that everything has to comply with the code. Who bears the responsibility when the contractor does not finish the job he's supposed to or does a substandard job? You have to remember that when you are entering into these agreements the client may be in need of having improvements made to their home and, in some instances, they're probably relying on the expertise of the Yukon Housing Corporation to ensure that the work is up to standard, that the work is bringing their house up to code, and that the work is indeed being completed, because not everybody out there has experience as a general contractor.

I don't believe that the Yukon Housing Corporation is screening or discriminating against people who don't have those qualifications, because their housing needs are just as important as anybody else's — so clarification on the fact the client needs to sign off on the cheque that the Housing Corporation gives or pays to the contractor. The other one is about who bears responsibility for ensuring that the work is finished and that it's up to standard.

Hon. Mr. Kenyon: Now he has me confused. The cheque can be made out to the homeowner or, if the homeowner agrees and asks, can be made out jointly to them or to the contractor — in which case both have to sign the cheque. The homeowner can waive and have the Housing Corporation write the cheque directly to the contractor. They have choices. We'll do it any way, but again, the contract for the performance is between the homeowner and the contractor. The financial contract — called a loan — is between the homeowner and the Housing Corporation.

The member opposite is quite correct. The Housing Corporation does not recommend contractors. That is something that we aren't going to get into — not a chance — and all of this is again subject to inspection. The inspectors within the City of Whitehorse or some of the larger communities would be city building inspectors; outside would be Yukon government building inspectors, so there are other groups inspecting. It's not just the Yukon Housing Corporation Board of Directors people who are coming in and doing the inspection. It also has to be up to code, it has to satisfy the building inspectors. That's a big part of it.

I think that covers most of what was being asked, anyway. I'll let the member opposite get back up if there was something else.

Mr. Cardiff: I've heard of instances — and I don't believe through any fault of their own — where clients of Yukon Housing Corporation who have entered into contracts with the corporation for the loan have then gone out with the recommendations and specifications that have been provided by technical inspections at Yukon Housing Corporation to get quotes for work to be done.

For whatever reason, through difficulties with contractors, work hasn't been done to code. In some instances, it hasn't been completed. Yet, somehow, the persons who were doing the work actually received payment for it. I guess the issue for me is accountability. I realize that there's certain accountability on the part of the client, but you maybe have to recognize the skill sets that are involved. Everybody who wants to have work done on their house isn't a building inspector and they aren't necessarily qualified to do it.

Sometimes, it's a little easy to get, you might say, the wool pulled over your eyes on some of these things. Quite frankly, as someone who has worked in the construction field and worked on people's houses, I saw instances of that. I think it's terrible and I think that there needs to be some sort of protection for homeowners, but that's a discussion for another day probably. For me, the issue is accountability for the quality of the work and for the material that is being supplied so that substandard materials aren't being used on these jobs. If, ultimately, the Yukon Housing Corporation is doing a technical inspection at the end of a job, you would think that they would be able to recognize the shortcomings of the work that had been done or the fact that it was evident that some of the equipment installed was not actually up to code.

It's an accountability issue, not just for the client, but it's an accountability issue, I would think, for the Housing Corporation, because the Housing Corporation is the one that's lending the money. When you look at the home repair program, I realize that it was explained to me that the \$2.1 million is a revote for work from the last fiscal year — but I think that we're still putting in the neighbourhood of \$2.5 million to \$3 million annually into this program.

I'm not sure what percentage of work is being done that falls into this category where the work isn't either being completed satisfactorily or it isn't done up to code or, in some cases, where substandard materials and equipment are being used that aren't up to code. It comes back to what we were talking about earlier. It comes back to ability to pay. If the work doesn't get done properly, the clients who have a contract for the loan are going to have an inability to pay because the work wasn't done appropriately. I believe that it is an issue of accountability for the corporation because they're the ones who set the specification and told the client what it was that needed to be done and said that it had to be up to code.

I would think that there should be some mechanism whereby, before they release the final funds on the project there would be a technical inspection that would ensure: (1) that the work was complete, (2) that it was up to standard, and (3) that

the materials used were in fact approved materials and they weren't of a substandard quality.

Seeing the time, Mr. Chair, I move we report progress.

Chair: Mr. Cardiff has moved that Committee of the Whole report progress.

Motion agreed to

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

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

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

Mr. Nordick: Committee of the Whole has considered Bill No. 22, *Second Appropriation Act, 2010-11*, and directed me to report progress on it.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

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

The House adjourned at 5:30 p.m.