



# The Yukon Legislative Assembly

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Number 34

3rd Session

26th Legislature

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## **HANSARD**

**Wednesday, May 14, 1986 — 1:30 p.m.**

Speaker: The Honourable Sam Johnston

# **Yukon Legislative Assembly**

**SPEAKER — Honourable Sam Johnston, MLA, Campbell**

**DEPUTY SPEAKER — Art Webster, MLA, Klondike**

## **CABINET MINISTERS**

<b>NAME</b>	<b>CONSTITUENCY</b>	<b>PORTFOLIO</b>
<b>Hon. Tony Penikett</b>	Whitehorse West	Government Leader. Minister responsible for: Executive Council Office; Finance; Economic Development; Mines and Small Business; Public Service Commission
<b>Hon. Dave Porter</b>	Watson Lake	Government House Leader. Minister responsible for: Tourism; Renewable Resources.
<b>Hon. Roger Kimmerly</b>	Whitehorse South Centre	Minister responsible for: Justice; Government Services.
<b>Hon. Piers McDonald</b>	Mayo	Minister responsible for: Education; Community and Transportation Services.
<b>Hon. Margaret Joe</b>	Whitehorse North Centre	Minister responsible for: Health and Human Resources; Women's Directorate.

## **GOVERNMENT PRIVATE MEMBERS**

### **New Democratic Party**

<b>Sam Johnston</b>	Campbell
<b>Norma Kassl</b>	Old Crow
<b>Art Webster</b>	Klondike

## **OPPOSITION MEMBERS**

### **Progressive Conservative**

<b>Willard Phelps</b>	Leader of the Official Opposition Hootalinqua
<b>Bill Brewster</b>	Kluane
<b>Bea Firth</b>	Whitehorse Riverdale South
<b>Dan Lang</b>	Whitehorse Porter Creek East
<b>Alan Nordling</b>	Whitehorse Porter Creek West
<b>Doug Phillips</b>	Whitehorse Riverdale North

### **Liberal**

<b>Roger Coles</b>	Liberal Leader Tatchun
<b>James McLachlan</b>	Faro

## **LEGISLATIVE STAFF**

Clerk of the Assembly	Patrick L. Michael
Clerk Assistant (Legislative)	Missy Follwell
Clerk Assistant (Administrative)	Jane Steele
Sergeant-at-Arms	G.I. Cameron
Hansard Administrator	Dave Robertson

<sup>01</sup> **Whitehorse, Yukon**  
**Wednesday, May 14, 1986 — 1:30 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.  
 Introduction of Visitors?  
 Are there any Returns or Documents for Tabling?

## TABLING RETURNS AND DOCUMENTS

**Hon. Mr. Kimmerly:** I have for tabling a report on the examination of the accounts and financial statements of the Compensation Fund for the year ended December 31, 1985. This is the Workers' Compensation Fund.

**Speaker:** Reports of Committees?  
 Petitions?  
 Introduction of Bills?

## INTRODUCTION OF BILLS

### Bill No. 13: First Reading

**Hon. Mr. Penikett:** I move that Bill No. 13, entitled *Third Appropriation Act, 1986-87*, be now introduced and read a first time.

**Speaker:** It has been moved by the hon. Government Leader that Bill No. 13, entitled *Third Appropriation Act, 1986-87*, be now introduced and read a first time.

*Motion agreed to*

**Speaker:** Notices of Motion for the Production of Papers?  
 Notices of Motion?  
 Statements by Ministers?

<sup>02</sup> **Speaker:** This then brings us to the Question Period.

## QUESTION PERIOD

### Question re: Cabinet documents

**Mr. Phelps:** We are now advised by the media that there is an RCMP investigation going on with regard to an alleged leak of government documents. Can the Government Leader advise the House which Minister called in the RCMP?

**Hon. Mr. Penikett:** The specific commission was from the Minister of Justice upon my instructions.

**Mr. Phelps:** Can the appropriate Minister advise when the RCMP were contacted and called in?

**Hon. Mr. Penikett:** I could give the appropriate date, but it is not my intention to give a play-by-play commentary on the investigation as it proceeds.

I will give a full report to the House when the investigation is concluded. I do not intend to provide particulars of the investigation while it is going on.

**Mr. Phelps:** On April 30, in answer to a question from the Member for Tatchun, on page 502 of *Hansard*, in response to the question, "Has the Government Leader had any discussions whatsoever with the RCMP on this issue?", the honourable Mr. Penikett replied, "No". Did the Government Leader, subsequent to that date, have any discussions with the RCMP?

**Hon. Mr. Penikett:** Yes.

### Question re: Cabinet documents

**Mr. Phelps:** On April 29, the Government Leader, in response to question from the Member for Tatchun, stated that it was his impression, based on some experience, that calling in the RCMP does rather the exact opposite than putting people's minds at rest.

We shared that concern. We did make inquiries about security during the debates on the Main Budget on that date. Can the Government Leader tell us whether or not he changed his mind as to the effect that calling in the RCMP has on the morale of the bureaucracy?

<sup>03</sup> **Hon. Mr. Penikett:** Not at all. The Leader of the Liberal Party, as he then was, asked me if I thought it would put public servants' minds at rest by having the RCMP investigate this matter. My view is the opposite; I think it would cause great consternation and great concern and anxiety among some public servants.

I also told the House previously that we would be making a decision on the matter at the point we had concluded our internal investigation, and we made those decisions.

**Mr. Phelps:** Once again, there is the one point in time that is of very great significance to Members on this side of the House. When was that decision made, and when were the RCMP first contacted?

**Hon. Mr. Penikett:** The question of when the RCMP were first contacted is something I will report eventually to the House. It was first contacted, I expect, in a preliminary way, not by myself but by officials in the government, shortly after the original instance.

As a matter of fact, the RCMP will not pursue an investigation until an internal investigation is complete. That is their procedure. I reiterate, I am not going to give a play-by-play commentary on the investigation as it proceeds; I will give a report when it is complete.

**Mr. Phelps:** I am asking the hon. Member simply to clarify the suspicion in some people's minds. The media are saying that the RCMP were investigating as much as two weeks ago. These questions were asked and answered approximately two weeks ago. I would simply like to know when the Government Leader had this change of heart and when the RCMP were first called in.

**Hon. Mr. Penikett:** The Leader of the Official Opposition is confusing two things, as is the media. The media heard me say that I thought that calling in the RCMP would cause concern and alarm in certain circles of the public service, because it is an unsettling thing to be the subject of an investigation, even for people who are totally innocent.

I was asked if I thought it would put their minds at rest, and I thought it would not. That is still my view, and it is my experience that being the subject of an RCMP investigation, even if you are perfectly innocent, can be an unsettling experience. That does not make a comment at all on whether or not we had called, or planned to call, at that point, the RCMP. I have been perfectly consistent on this point and I will repeat it: I do not intend to provide a blow-by-blow commentary on the progress of the RCMP investigation. That would render the investigation conceivably useless.

<sup>04</sup>

### Question re: Cabinet documents

**Mr. McLachlan:** With regard to the issue of the RCMP investigation, does the Government Leader have a date that he believes the investigation will be completed?

**Hon. Mr. Penikett:** No, it is not in my hands. It is up to the RCMP to conclude the investigation in their own time. They do not have a deadline from me, nor will they get one.

**Mr. McLachlan:** Do we presume from that answer that the investigation will be carried on ad infinitum until the time of the presentation of the next budget to preserve sanctity?

**Hon. Mr. Penikett:** No, I do not propose a perpetual investigation. That would be a bit Kafkaesque for my liking. The investigation will no doubt reach a logical conclusion at some point and we will get a report or there will be charges laid or some other consequence, all of which will become known to Members in time.

**Mr. McLachlan:** We, on this side of the House, expressed some concern about the trail going cold and indeed not being able to gather sufficient evidence if the RCMP were not involved early enough in the investigation. Do we now presume from circumstances that have taken place that the Government Leader is convinced he still has a viable case for the securing of the leaked document?

**Hon. Mr. Penikett:** The particular art of detectives or police procedures are not something of which I have any particular knowledge at all. The question of whether the trail goes cold or not is also something I cannot comment on. The Member asks if I have

a case. Clearly, I do not have a case; the RCMP are conducting an investigation. We have an apparent appearance of illegal activity involving a document that appears to have been stolen from this government. That is being investigated, and once the investigation is completed, it will be concluded either in the form of charges being laid against some person or persons for a number of possible offences, or it will be concluded on the basis that it was not possible to establish who the guilty party or parties are.

05

#### Question re: Cabinet documents

**Mr. Nordling:** I do not understand why it is a secret as to when the RCMP was called in. I am sure the civil servants must have been aware of it. I do not know why he would keep it a secret from the House. I will not ask about that.

My question is with respect to the government's internal investigation, and the document. On April 29, the Member for Riverdale South asked about the security of records and documents and their classification. The Government Leader explained that there were procedures in place. My understanding, from the media reports, is the document that they got was not stamped as a confidential Cabinet document.

Has the Government Leader obtained a copy from the media, and is it true that the document was not stamped as being classified?

**Hon. Mr. Penikett:** The Member opposite seems to have a fascinating amount of information about this document. That makes me curious.

Cabinet documents do not have to be stamped "Cabinet Documents" to make them so. There are some that, by the contents of them, are evidently Cabinet submissions and do not have to have a rubber stamp on them to make them that.

It is no secret when the RCMP was called in. I just reiterate my main point. I will provide a report to the House when the investigation is complete. It is not useful in the investigation to subject myself to questions about particulars of the investigation. That will not advance the cause of the investigation.

With respect to the document to which the Member refers, it quite clearly was a Cabinet document on a financial matter.

**Mr. Nordling:** There were dozens of articles on this subject and questions in the House. My understanding from the media reports was that this particular document may have been considered by groups other than Cabinet — consultative groups — and that there may have been quite a number of photocopies distributed.

Is it true that there may have been up to 30 or more photocopies of this document distributed?

**Hon. Mr. Penikett:** I do not know. How many copies there were of this document may be part of the investigation, but no, this particular document was not subject or provided to consultative groups. Nobody was intended to have access to the document, other than the people who properly should have.

**Mr. Nordling:** On April 29, the Government Leader gave an undertaking to the Member for Riverdale South to provide a report on the internal investigation that was going on at the time, including the results and consequences. Has that particular investigation concluded? If not, is it going on in conjunction with the RCMP investigation, or is it a separate investigation? Perhaps the Government Leader could indicate, if it has not been completed, when we will hear the results of that?

**Hon. Mr. Penikett:** I feel certain the Member is either misquoting me, or I must have misspoken on that day, because I certainly did not intend to provide a report to the House on the internal investigations separate from the whole investigation.

The internal investigation was, to state the obvious, the necessary prelude to the RCMP investigation. There will be, whatever happens as a result of the RCMP investigation, some consequent inquiry into existing procedure.

**Mr. Nordling:** Page 492 of *Hansard*.

#### Question re: Cabinet documents

**Mr. Phelps:** I want to get back to the time when the RCMP was asked to commence its investigation. I ask this question because of an answer given to a question from the Member for Tatchun on April 30, 1986. It was less than two weeks ago that the story first

broke. On page 502 of *Hansard*, Mr. Coles says: "Has the Government Leader had any discussion whatsoever with the RCMP on this issue?" The Government Leader answered "No".

In view of that, and in view of the allegations sweeping through the building, when did the Government Leader first contact and have discussions with the RCMP on this?

**Hon. Mr. Penikett:** I am sure I can report to the House on that. The Member opposite has not indicated, other than his curiosity, the reason for knowing this particular.

I feel there is not any urgent need for the House to know when the RCMP was called in. I would not advise the House in advance when we were going to call in the RCMP. I have already told the House that the RCMP required an internal investigation to be completed before it was called in.

When one is conducting an investigation, if it is going to be fruitful at all, it will be conducted discreetly. It is not useful, if we are going to have a successful investigation, and perhaps the Members opposite do not want one, to have a public debate about the particulars of the investigation.

**Mr. Phelps:** It seems that the Government Leader has a duty to clear the air on this. On April 30, he said he had not spoken to the RCMP. We would like to know when he spoke to the RCMP for the first time, just to clear the air.

**Hon. Mr. Penikett:** I do not know why the air needs to be cleared except for confusion in the minds of Members opposite and the confusion of the press. They can conclude from the fact that I said that it would no doubt be a disturbing experience, and that it would not put peoples' minds at rest to have the RCMP called in, that we were not going to call the RCMP.

That was a wrong conclusion from what I said. The Member wants me to clear the air. Yes, the RCMP were called in on my instructions, after I gave that answer on that day in the House.

**Mr. Phelps:** What date?

**Hon. Mr. Penikett:** I do not know how relevant it is, but I will find out if it compromises the investigation in any way to provide the Member that information and then provide him with it.

#### Question re: Cabinet documents

**Mrs. Firth:** Is it true that the Government Leader gave instruction and permission to certain individuals to go through some of the employees' desks?

**Hon. Mr. Penikett:** No. I did not, nor do I know whether or not that happened. If it is part of the RCMP investigation, I would not be commenting on it in the House.

**Mrs. Firth:** Is the consent of the employees required if this kind of action is taking place? It has been brought to our attention that there are some people concerned that this is happening.

**Hon. Mr. Penikett:** The Member is asking me for a legal opinion, and I cannot give a legal opinion on the floor of the House.

**Mrs. Firth:** Just to clarify a point regarding the commitment that the Government Leader made during the Committee of the Whole debate about bringing back information about the investigation, I had asked the Government Leader about the security systems and the safeguards. He offered to us that the Government Leader said, on page 492, April 29, 1986, in *Hansard*, "What I would like to do is offer the undertaking that at the point when the current investigation is concluded and the results are known to me and the consequences implemented, I will be pleased to come back to the House, if we are sitting or if we are not, and provide her with the report on the procedures." Is the Government Leader prepared to fulfill the commitment and provide us with the information regarding the internal investigation?

**Hon. Mr. Penikett:** Of course, that is perfectly consistent with everything that I have said before, except the tag she just added there about "the internal investigation". I have explained that the internal investigation was a prelude to the RCMP investigation; it is part of the whole investigation. When the whole investigation is complete...

**Some Member:** The RCMP investigation was going on on April 29.

**Hon. Mr. Penikett:** I do not know what the Members opposite are trying to prove. I do not know what game they are playing; I do

not know what game they are playing at all, or what they are trying to prove at all. There is an investigation. When the investigation is complete, as I told the Members opposite, and after the consequences of that investigation are known — whether there are charges laid or whatever — I will be providing a report to the House.

**Question re: Community residential centre**

**Mr. McLachlan:** I have a question for the Minister of Justice regarding the proposal for a community residential centre. Can the Minister describe the type of residents who would be housed at this facility?

**Hon. Mr. Kimmerly:** Yes, non-security risks, non-public risks; the kind of person who is a prime candidate for successful rehabilitation into normal law-abiding society.

**Mr. McLachlan:** Can the Minister indicate to the House if it is the government's intention or wish to have this type of centre in a residential area?

**Hon. Mr. Kimmerly:** It is the government's wish to have this type of centre in an urban area, in a neighbourhood where it will cause the least possible disruption to that neighbourhood.

**Mr. McLachlan:** In light of those qualifiers, can the Minister advise the House if, in fact, this government has taken this proposal, or this description of the particular facility, which they hope to get off the ground soon, to the City of Whitehorse concerning zoning bylaws so that we may avoid the type of confrontation that has taken place over 501 Taylor Street?

**Hon. Mr. Kimmerly:** The answer is no, we have not, as of yet. Of course, we will, if that is necessary concerning the eventual location chosen and the zoning bylaws. Concerning 501 Taylor, and the proposal for the new centre, it was always the government's intention — and it was the government's action, in fact — to comply with the zoning bylaws that existed, on the advice of the City. We went even further and notified and obtained the consent of tenants, as well as owners.

**Question re: Questions in the House**

**Mr. Lang:** I have been listening with a great deal of interest to what has been going on. As a long-time Member of the House, I am concerned with respect to the inability to get answers to questions posed to the side opposite. Take a look at the fact that now we are building an airport at Pelly Crossing that we were never told about. The chairman of the Economic Council resigns. We were not told about it. The Government Leader stands there and criticizes the media and the side opposite with respect to asking questions on things that do affect the public interest.

**Speaker:** Order, please. Will the hon. Member please get to the question.

**Mr. Lang:** With respect to the content and the implications of the revenue short-fall that is going to be experienced by the government, why were Members of this House and the public not informed of the implications of the budgetary measures announced in the budget? That has never been answered.

**Hon. Mr. Penikett:** The Member is wrong. The Member is talking nonsense. It was the subject of considerable discussion in this House during general debate on the budget, general debate in Committee, and during discussion on the revenue measures that were a part of the budget. We have discussed it over and over again.

The Member opposite has tried to get me, a number of times, to commit myself to the particulars of the budget next year and the budget beyond that. It would be ridiculous even to attempt to do that.

**Mr. Lang:** He cannot have it both ways. He comes forward and he wants to abolish medicare premiums yet, at the same time, he knows full well it is going to have major financial implications down the road. Why was the public not informed of the long-term implications of the financial measures taken this year? That is what I want to know from the Government Leader, as the Minister of Finance.

**Hon. Mr. Penikett:** On these financial matters, the Member opposite is becoming a bit of a joke. One of the jokes around town now is, after many years as a Minister, the Member still does not

know what a deficit is. He keeps talking about financial short-falls. He keeps talking about deficits. He refuses to acknowledge the fact that the government has a surplus, had a surplus last year, will have a surplus next year, and will have a substantial surplus the year after that.

**Mr. Lang:** Why was the discussion paper, the document, or whatever, kept secret?

**Hon. Mr. Penikett:** The Member knows the answer to that question. He is stupid to even ask it. It is a Cabinet document, analyzing . . .

**Speaker:** Order, please. As I said before, please keep to parliamentary language in the House.

**Mr. Lang:** On a point of order, Mr. Speaker, I think the parliamentarian across the floor should start following the rules.

**Speaker:** Will the Member please continue.

**Hon. Mr. Penikett:** Mr. Speaker, I was making a perfectly objective judgment on a question from a former Minister of many years standing who asked me why a Cabinet document was not made public. There is no other characterization of a question like that other than that it is a stupid question. Cabinet documents were never made public.

**Point of Order**

**Mr. Lang:** On a point of order. Under the Rules of the House it is very clear, under Section 8, which the Member opposite helped to put into effect as a Member of this House, "A question must adhere to the proprieties of the House and it must not contain inferences, impute motives or cast aspersions upon persons within the House or out of it." If you allow the Member to continue doing that, the aspersions can come freely from this side and I am telling you they can be cutting as well.

**Hon. Mr. Penikett:** The aspersions and the character assassinations have come freely from that Member all the years I have known him in the House. We do not expect that to change. For the Member opposite to suggest that he is the model of civilized conduct in this House is nothing short of a joke.

**Mr. Lang:** On a point of order. Section 8. I ask you, as the leading officer of this House, to call that Member to order. He is making a mockery of the Legislative Assembly under Section 8 of the Rules.

**Hon. Mr. Penikett:** On the same point of order, we are now in the third month of this session and are entering the third month of discussing the same questions the Member is asking. The Member, a former Cabinet Minister, is asking me, a present Cabinet Minister, why a Cabinet document on a budgetary matter was not made public.

**Speaker:** Would the Member just speak on the point of order please.

**Hon. Mr. Penikett:** I am stating the Member has no point of order. He asks a question that any student of the parliamentary system would know is inappropriate, is wrong-headed, is misinformed and I advised him so and he gets his synthetic emotion going again.

**Mr. Lang:** On the same point of order, it is very clear under Section 8, and I have read it twice to you, and I ask you as the leading officer of this House, who requires support from both sides of this House to be able to conduct the business of the Legislature, to call that Member to order.

**Speaker's Ruling**

**Speaker:** There is a point of order. In the heat of debate please keep your language parliamentary. Also all questions and answers are to be short so we can get the most out of Question Period.

**Question re: Yukon Economic Council**

**Mrs. Firth:** I have a question for the Government Leader regarding the Yukon Economic Council. We went through approximately two days of debate on the Department of Economic Development, at which time we discussed the council, its mandate and particular items being discussed. Could the Government Leader tell us why he did not come forward and volunteer the information that the Chairman had resigned?

**Hon. Mr. Penikett:** The fact that the Member has resigned is recorded in the minutes of the Council that the Members opposite receive under my authority. I issued, unlike the previous government, the instruction that the minutes of the council, on matters where they are not advising Cabinet, will be released. The council chairman resigned last month. It is unprecedented in this government that we have press releases or public announcements about people leaving boards or commissions within the government. It was my intention, and it is my intention, to make the replacement public when Cabinet has named someone else.

**Mrs. Firth:** The Government Leader is partially correct. We do get the minutes, however, there is a delay time before we get them. If the Speaker will allow me the time, I will explain it for the record.

The council has a meeting. The minutes are drawn up, and we do not get them until they have gone to the next meeting and have been approved by the council. There is always over a month delay before we get the copy of the minutes.

It is not infrequent that I have to phone and ask for the minutes. They do not come that freely. We have not had access to the minutes where the Member tendered his resignation. We debated a motion at great length in the House on the Yukon Economic Council on Wednesday, May 7, in regards to an agriculture or forestry representative being on the council.

Can the Government Leader tell the House why he did not come forward and volunteer the information that the Chairman had resigned?

**Hon. Mr. Penikett:** Under the orders of the House, I was asked to debate the eligibility or the likelihood, or the need, for representatives of the agricultural and forestry sectors being on the council. The subject was not the council as a whole. The subject was not the chairmanship of the council.

If the Members would not be asking so many irrelevant questions in the House, we could answer them. There are many things about which the Members do not ask questions. There are many significant bits of information that, no matter how much we provide for the House, we cannot tell them everything unless they ask the questions.

**Mrs. Firth:** If the Government Leader was as open and generous with information as he professes to be, he would have brought it forward. I know that from the Member's past performances and inquiries.

He did not bring the information forward. Since we now know that the Economic Council has one member less, can the Minister answer this question for me: Is the Government Leader prepared to appoint, in the place of that person, an agricultural representative on the Yukon Economic Council?

**Hon. Mr. Penikett:** I heard some interesting suggestions for the proposal. The Member just gave a five minute preamble. I am going to answer the question.

The proposal now is that someone in agriculture, purely on the basis of their experience, would be a natural person to be chairman of the Yukon Economic Council. The chair of the Economic Council will be chosen from the public at large. It may be person with a background in agriculture, but they will almost certainly be someone to provide leadership to the council, someone who has an interest in the economy as a whole, not just in one area.

I will certainly take the Member's suggestion, that it be an agriculturalist, under advisement.

#### Question re: Yukon College

**Mr. Phillips:** Can the Minister of Government Services tell us if the Yukon College project site is or will be designated as an open or closed site with respect to union and non-union contracts?

**Hon. Mr. Kimmerly:** I thank the Member for the question, but I will answer it with a question initially. What does the Member mean?

**Speaker:** Order, please.

**Mr. Phillips:** This is Question Period. Mr. Speaker, Question Period, in my understanding, is for us to ask them questions, not for the government to ask us questions. I would like an answer to my question.

**Speaker:** On the point of order, will the Minister please answer the question.

**Hon. Mr. Kimmerly:** I do not know what an open site or a closed site is, under our present labour legislation, so I am completely unable to answer that question.

**Mr. Phillips:** This is rather an urgent matter. As a contractor, previous to becoming a Member of this House, my understanding of an open contract — and I think every contractor who has phoned me in the last few days has the same understanding — is that if the job is open, it means that union and non-union can work side by side on the project. Will the Minister accept that philosophy on the Yukon College project?

**Hon. Mr. Kimmerly:** Yes, absolutely. We always have. The previous government did and there is no change.

**Mr. Phillips:** Will it then be the policy of the government that all present and future projects will be declared open in that manner and that there will be no union or non-union designation; that anyone will be allowed to bid and compete on an equal basis and be on the job if they are qualified?

**Hon. Mr. Kimmerly:** It is the policy of the government, and the tender documents and the contract documents clearly imply so on all government projects that we do not specify that the work must be union or non-union. That is not a matter that the government specifies in the tendering or the contract documents at all.

#### Question re: Taxation

**Mr. Coles:** Since the federal Environment Minister is now considering a special excise tax on hunters, fishermen and outdoor enthusiasts, has the Minister of Tourism given any thought with respect to the impact of this tax on Yukon's tourism industry?

**Hon. Mr. Porter:** This is a measure that was announced federally. Apparently, one of the Conservative backbenchers in Ottawa has brought this forward as a private Members' Bill. I do not know if it has the support of the federal Caucus, so I question the possibility of it becoming law.

With respect to the immediate thoughts that we would have to such a tax being levied in the Yukon, we do not have an immediate position. There warrants some discussion on the idea as to why we should have a tax measure that would only be levied on one group of society, and not on the remainder of society. That is a very important principle of taxation, and that is a question that we would be looking at. Should I have an opportunity to speak to the Minister, I would convey our position.

**Mr. Coles:** For the Minister's information, as of yesterday this excise tax does have the support of the Conservative Caucus in Ottawa. With this in mind, will the Minister ask the federal government that, if the tax is imposed, since it is specifically to pay for wildlife protection, the federal government give the Yukon its proportionate share of monies that would be collected for our own wildlife protection programs?

**Hon. Mr. Porter:** I think the first responsibility we would have is to make an assessment as to the real possibilities of it becoming law and I think that what we would do is take a position on the question of the taxation, whether or not it is needed in the first place, and address that fundamental principle prior to concluding that if the tax is levied that we would be looking to our share.

**Mr. Coles:** If the proposed tax would be levied, it would probably apply to almost every tourist who travels through our territory. Exactly what action will the Minister take to fight the imposition of this tax?

**Hon. Mr. Porter:** The particulars of the proposed tax measure are not known to me, so I would like to have the ability to examine the specifics of the proposed measure prior to commenting on its implications with respect to the tourism industry. I will make an undertaking to the Member that we will obtain the necessary information and the government will take a position and we will convey that to the federal Minister of Tourism as well as to the federal Minister of Finance.

#### Question re: Wolves

**Mr. Brewster:** In the past there has been a lack of information

regarding the exact number of wolves taken by government officials under the predator control program. Can the Minister now give this information?

**Hon. Mr. Porter:** Off the top of my head, with respect to the most recent program we undertook in the Finlayson area, we took 48 wolves. With respect to the Member's question about the total number of wolves taken over the years the program has been implemented in the Yukon, I would have to check the records to go back the three years or so that we have had predator control and give that specific number to the Member.

**Mr. Brewster:** Can the Minister provide the Member with the total number of wolves taken in the Finlayson Caribou herd area and also in study area 7 and 9 last winter?

**Hon. Mr. Porter:** As I stated in my original answer, the number for Finlayson is 48. With respect to the numbers for study areas 7 and 9, I will check with personnel in the department to bring those numbers forward.

**Mr. Brewster:** On page 649 of *Hansard*, in Committee of the Whole, those same questions were asked. I suggest the Minister look at that and see how an honourable Minister can answer. Can the Minister advise the House if his department plans to remove any more wolves next season in these two areas.

**Hon. Mr. Porter:** I would like to thank the Member for asking the questions that I have asked before; I think that if he follows my footsteps there are great things in store for him. With respect to the question of the program next year, we made a decision to continue with the Finlayson predator removal program. As part of that decision, we made a commitment to review it, so what we will be doing is asking the people conducting the program to bring all the data they gather to me at the end of the season. We will analyse it and if it is warranted we will continue it next year.

**Speaker:** Time for Question Period has now elapsed. We will now proceed with Orders of the Day.

Motions other than Government Motions.

#### MOTIONS OTHER THAN GOVERNMENT MOTIONS

**Clerk:** Item No. 1, standing in the name of Mr. McLachlan.

**Speaker:** Is the hon. Member prepared to proceed with Item No. 1?

**Mr. McLachlan:** Next sitting day.

**Speaker:** So ordered.

**Clerk:** Item No. 2, standing in the name of Mr. Lang.

**Speaker:** Is the hon. Member prepared to proceed with Item No. 2?

**Mr. Lang:** In the spirit of cooperation, next sitting day.

**Speaker:** So ordered.

**Mr. Clerk:** Item No. 3, standing in the name of Mr. Nordling.

**Speaker:** Is the hon. Member prepared to proceed with Item No. 3?

**Mr. Nordling:** Next sitting day.

**Speaker:** So ordered.

**Mr. Clerk:** Item No. 4, standing in the name of Mrs. Firth.

**Speaker:** Is the hon. Member prepared to proceed with Item No. 4?

**Mrs. Firth:** Continuing with the spirit of cooperation, next sitting day.

**Speaker:** Next sitting day.

#### GOVERNMENT BILLS

##### Bill No. 4: Second Reading

**Clerk:** Second Reading, Bill No. 4, standing in the name of Mr. McDonald.

**Hon. Mr. McDonald:** I move that Bill No. 4, entitled *An Act to Amend the Students' Financial Assistance Act*, be now read a second time.

**Speaker:** It has been moved by the hon. Minister of Education

that Bill No. 4, entitled *An Act to Amend the Students' Financial Assistance Act*, be now read a second time.

**Hon. Mr. McDonald:** It is with pleasure that I rise today to introduce proposed amendments to the Student Financial Assistance Act. The changes are consistent with this government's goal to encourage Yukoners to attain a high level of education, education which is of paramount importance to the long-term success of the territory's people.

The new act will introduce a Student Financial Assistance Appeal Board, which will have as its sole responsibilities the hearing of appeals from individuals who have not met eligibility requirements and the adjudication of matters respecting bursaries and scholarships. The existing act requires Yukon students to return to the Yukon during the summer. Many of our students are unable to find jobs in the Yukon relating to specialized fields of education. As a result, they either had to miss outside opportunities for employment or lose the grant by taking outside jobs. Under the new legislation, the student will no longer be required to return to the territory to work during the summer.

The existing Student Financial Assistance Committee has the prerogative to grant students 12 months off during their course of studies without losing the grant. The Student Financial Assistance Committee, as currently constituted, will be abolished under the amended act. Students will now be able to, at their own discretion, take up to 12 months off at any time during their course of studies without jeopardizing eligibility for the grant. This will allow them an opportunity to work, to take needed time out due to stress, or to participate in athletic or cultural activities. It will also allow for travel, which we see as a part of a desirable universal education.

In conclusion, the amendments to the *Student Financial Assistance Act* will bring it in line with the needs of the Yukon's people. I trust that the Members of the House will look with favour upon these recommended changes.

**Mrs. Firth:** We will be agreeing with the general principle, and getting into some more detailed discussion in the clause-by-clause debate about particular concerns. I know the Member for Riverdale North has a particular concern for his constituents who are falling through the cracks. One of the problems with the *Student Financial Assistance Act* is that, at periodic times, you end up with students who, for some reason or another, are not fulfilling the eligibility requirements. From time to time we have to amend them and modify it so that our Yukon students are getting the fullest opportunities for the advancement of their education.

**Mr. McLachlan:** There is no doubt on our part that it is the government's intention to improve a number of things for the students attending educational institutions outside the territory, but, in so doing, we have some concerns about the effects it will have in other areas. We will raise these during Committee debate on this bill.

*Motion agreed to*

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

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

*Motion agreed to*

*Speaker leaves the Chair*

#### COMMITTEE OF THE WHOLE

**Chairman:** Committee of the Whole will now come to order. We will now recess for 15 minutes.

*Recess*

**Chairman:** I now call the Committee of the Whole to order. Department of Education, Advanced Education, Manpower, general debate.

**Bill No. 5 — Second Appropriation Act, 1986-87 - continued**

**Hon. Mr. McDonald:** Before we begin, I would like to deliver some information to Members.

I would like to correct a statement that I made yesterday. It was more of a misleading statement than a mistake. The percentage of increase given to teachers that I gave yesterday was for substitute teachers and not for the entire teaching staff.

The arbitration award for the Collective Agreement for teachers showed the following increases: zero percent from July 1, 1985 to August 31, 1985; one percent from September 1, 1985 to June 30, 1986; and three percent from July 1, 1986 to June 30, 1987.

I also have a copy of the Collective Agreement, which I will table. I have the Department of Education, Public Schools organizational chart, which I will table as well. There was also the list of reports produced by or for the Department of Education over the past five years, for Public Schools Branch, Advanced Education, Manpower, Libraries and Archives. I will table that as well.

Mr. McLachlan asked about the policy regarding children bringing money to defray extra costs for extracurricular school trips. I would like to reconfirm that there was no policy direction given to schools regarding fundraising for extracurricular trips.

Each school, in conjunction with the school committee, determines that activity. I would like to remind the Members that the extracurricular travel money has almost been doubled this year over last.

Mr. McLachlan also requested information about the the Ross River School Committee wishing to have children bused from Ross River to Faro.

<sup>16</sup> The committee has been consulted and has indicated they might be interested in having their grade 10, 11 and 12 students go to Faro next year. They indicated to us that they wanted to discuss this at the community level further and we have not yet heard further from them.

On the subject at hand, with the budget for Advanced Education and Manpower Branch showing a nine percent increase, I would like to state briefly that the major enhancement for this branch includes \$102,000 for the operation of the Old Crow Community Learning Centre, the expansion of the Community Academic Upgrading Program for \$185,000, the enhancement of the Business & Management Programs for \$96,000 and the introduction of the AIM Program, Apprentice Incentive Marketing Program for \$52,000.

**Mrs. Firth:** Can the Minister bring me up to date on the relationship between the Advanced Education Summer Program and Job Retention Program and what programs are provided at the federal level. I have received a package that is a combination of territorial and federal programs, and I also received one from the federal government. Could he just tell me which looks after which programs? Do students report directly to the federal office, or to our office or to a separate office?

**Hon. Mr. McDonald:** The Work Yukon File that I gave to all Members some time ago did include all programs that were to survive, except for the Job Retention Program for Small Business, and the new programs that have been created. They include the Canada-Yukon Programs, which are the Canada-Yukon Summer Program, Challenge '86, Canada-Yukon Job Development Program and the Canada-Yukon Small Business Training Program. The Canada-Yukon Small Business Training Program and the Canada-Yukon Job Development Program are new programs.

<sup>17</sup> The Youth Employment and Training Program is a new program, and the Apprentice Incentive Marketing Program is a new program. The total of programs in Manpower Development include Youth Venture Capital, Summer Students Career Development Program, Yukon Employment Incentive Program, Apprentice Incentive Marketing Program, Canada-Yukon Summer Program, Challenge '86, Canada-Yukon Job Development Program — those two are joint federal-territorial programs — Youth Employment and Training Program, the Canada-Yukon Small Business Training Program — it is a joint program — and the Computer Camp.

Those are the programs to date, including those programs that are a product of our relationship with the federal government.

**Mrs. Firth:** Can the Minister tell me how much money is identified altogether, between the federal and territorial governments, for these kinds of programs, and give me a breakdown of how much for territorial and how much for federal?

**Hon. Mr. McDonald:** The territorial contributions for the programs that I have mentioned add up to \$908,000. Those are the transfer payments. The total federal contribution is \$1,250,000.

**Mrs. Firth:** Is the Minister saying that the YTG contribution is \$908,000 and the federal is \$1,250,000? Almost over \$2 million in programs combined?

**Hon. Mr. McDonald:** Yes.

**Mrs. Firth:** Can the Minister tell me what agreements we have with the federal government for different programs in Advanced Education and Manpower, including the apprenticeship programs and so on?

<sup>18</sup> **Hon. Mr. McDonald:** There was one umbrella agreement, which was the Human Resource Development Agreement. That is the umbrella agreement under which the three joint programs I mentioned were negotiated.

There is the Institutional Training Agreement that is currently being negotiated. I mentioned the difficulties that we are having on that front. Federal participation with respect to apprenticeship training is part of the Institutional Training Agreement. Those are the two major agreements that the territory and the federal government have, under which there were sub-programs.

**Mrs. Firth:** Do the GIT and the CTST programs still exist?

**Hon. Mr. McDonald:** Both of those have been phased out.

**Mrs. Firth:** I am sure the Minister will be patient with me. It has been two years since I have been the Minister of Education and I would like to get myself reoriented as to what is happening in Advanced Education and Manpower in the Yukon now.

Can the Minister give me some information regarding what has happened with the program offerings at Yukon College in the last year that he has been Minister of Education? Have there been any deleted, added, or anything of significance

**Hon. Mr. McDonald:** There have been some added courses that I have mentioned in the past few weeks. They included the municipal and band administration program, the carpenter program, et cetera.

Those that are under development for this year include the municipal and band administration management, small business management, tourism hospitality management and tourism hospitality services. Those are the four major thrusts that we would like to pursue this coming year. The funding for concurrent academic upgrading is also something that we are pursuing.

**Mrs. Firth:** Is there anything in the agricultural or mining technology areas?

**Hon. Mr. McDonald:** The college offers, in conjunction with the Yukon Livestock and Agricultural Association, seminars on an as-needed basis as suggested by the industry. They have included some courses that the Member is familiar with. Generally speaking, it is not a certification course, but a seminar style course.

<sup>19</sup> **Mrs. Firth:** I am aware of the weekend workshops that are put on. I was wondering if the Minister has any plans in developing any other kinds of programs. When he was a Member of the Opposition, we discussed in the House some courses that could be provided at the College.

**Hon. Mr. McDonald:** I recall suggesting, when I was in opposition, that the College should be more active in heeding to the desires of the agricultural industry. It was thought, at the time, that to enhance course offerings could include such things as longer term courses of the sorts that an agricultural institute would provide in a southern jurisdiction.

The agricultural branch of Renewable Resources and the Agricultural Association have clearly stated that, for the time being at least, it was their desire to have short courses that could be attended by people who do not consider agricultural their prime income, but something that they have a serious interest in.

The situation, as it stands right now, is that we are trying to heed the industry's wishes to the greatest extent possible. I think the College is doing what it can.

**Mrs. Firth:** Does the Minister have any plans for anything in



the area of mining?

**Hon. Mr. McDonald:** If the Member is referring specifically to specific mining techniques or geology classes or prospecting classes, that is one thing. In the mining sector, there are a number of standard industrial jobs, for which training can be provided, such as welding, heavy equipment operating, and that sort of thing, which are the bulk of the mining industry's jobs.

The Chamber of Mines provides prospecting courses. We do not have any plans to engage in any sorts of major certification programs, along the lines of the sorts of programs that Halibury might offer. At the same time, the intent is to work with industry, work with Curragh Resources, for example, to determine what their training needs are, and to try to meet the actual needs of the industry, rather than trying to anticipate what those needs might be in the future.

**Mrs. Firth:** It was a subject of much discussion when the Minister was an Opposition Member. It was always very difficult to get an idea from the businesses, the mining industry in particular, as to what their needs might be, so that we could train people.

I am also interested in the aspect of any agreements that the Minister, or the government, may have with Curragh Resources in the area of mining, say, in apprenticeship programs.

Are there any plans to enter into those kinds of agreements with Curragh, providing specified apprenticeship programs can be identified?

**Hon. Mr. McDonald:** There is the agreement with Curragh under which we will agree to review their manpower requirements to engage in joint training programs to ensure the maximization of local hire.

There are Manpower Development Officers who do circuits of the territory, and Curragh is a major stop. They help to determine needs and to encourage employers to take advantage of the programs that are offered. They also assist them in their manpower requirements and training programs. That is the extent to which we have pursued the matter with Curragh and United Keno Hill Mines.

There has been difficulty establishing mining trade schools, largely because of the fact that there are so many different kinds of mining being carried out in the territory. When very job-specific programs are offered, they really only are beneficial to a single work site.

The mining techniques that are carried out at Curragh Resources are vastly different from those carried out at United Keno Hill Mines.

There are industrial sector jobs that are common to all mining operations and common even to the construction industry. Those would include carpentry, welding, electrical skills, et cetera that we are providing support for right now and will continue to do so.

**Mrs. Firth:** I am still not quite sure whether or not the government is going to look at any apprenticeship programs with Curragh. Has that been part of any of the agreement? I believe the Government Leader at one time spoke of something to do with apprenticeship. Perhaps the Government Leader would like to answer.

**Hon. Mr. Penikett:** With respect to training, the sole text of what we have agreed to so far with Curragh is laid out in the Contribution Agreement of the Accord that was tabled in the House.

At this point, because Curragh does not know its manpower plan in detail, all we have been able to do is to agree that we will work with them on a common interest in developing mining apprenticeships programs to meet not only the requirements of their mine, but in ways in which we can use that mine to get Yukoners into that mine and to also get people trained for other possible mining operations that may come down the road.

**Mrs. Firth:** I thank the Government Leader for his answer.

Is there money in this budget for it or is that something that would be a supplementary? Are there going to be any requirements that the apprentices are Yukon apprentices? Will the federal government be making any contribution towards it?

**Hon. Mr. Penikett:** There is no money in this budget because the Accord has just been signed. There are no financial consequences as a result of the Accord. All we have agreed to do is to work together in the next few months.

There are some programs that may involve the federal government, but we do not know what particular courses there will be. The federal funding is going through some changes now anyway. Until we know the needs of the company and until we can get that manpower plan, we cannot budget for the courses because we do not know what we will need, nor do they.

<sup>21</sup> It makes it quite clear that our interests are in training Yukoners and that is something we signed in the Accord.

**Mrs. Firth:** The Government Leader just said something about some rearranging with the federal funding. Is that within the Minister's department, and could he elaborate on that a bit?

**Hon. Mr. McDonald:** I gave indication some time ago that we were having our difficulty negotiating an institutional training agreement and there seemed to be an indication from the federal government that they would like to redirect those funds to the private sector and away from institutional training. We do have concerns about that. We do feel it would have an impact on the College, and essentially that is what we are talking about when we talk about federal program funding.

**Mrs. Firth:** Perhaps the Minister could just tell me what their concern is with the direction the federal government wants to take, specific to the Yukon?

**Hon. Mr. McDonald:** With respect to apprenticeship training, the federal government has indicated it would like to support selected apprenticeships and not all the apprenticeships. We do not know which apprenticeships they might be willing to support. With respect to the institutional training agreement, all the provinces had initial concerns — and certainly we still do — about the proposal to redirect funds from recoveries to an institution like our community college to the private sector in a manner yet to be determined. The proposal would be that over three years their funding could be cut back by as much as 45 percent. That would have a dramatic impact on the future of Yukon College if the private sector did not purchase training from that college. We are concerned about that because we feel our college system, although becoming stronger, is still a rather fragile institution and we would like to see its future virtually guaranteed.

There is also concern by this government and by other governments that the private sector in areas such as ours is not mature enough or large enough to take up the slack and purchase training from the institutions themselves. There is a concern, for example, in Yukon that it could mean a loss of about \$800,000, and there is the suggestion that the private sector is not large enough to purchase \$800,000 worth of institutional training.

Those are essentially the concerns we have. We are still negotiating arrangements, and they have been tough negotiations. We hope that we can find something that we can agree with and live by, but that time has not yet come.

**Mrs. Firth:** I thank the Minister for his answer. I do not think he has said anything I disagree with. We can appreciate the small size of our business community and definitely appreciate that they would not be able to fulfill the required amount.

Perhaps the Minister could tell me a bit about the new program his department has established, the AIM Program?

<sup>22</sup> **Hon. Mr. McDonald:** There is \$50,000 allocated to encourage what we anticipate will be approximately 10 apprentices to be taken on by the private sector. It is a program that provides an incentive. We anticipate it will be about \$5,000 per apprentice. In the past, the in-house apprenticeship training program was the only game in town. It was very necessary because the private sector economy was not buoyant enough to take on apprentices.

We feel that with an upswing in the economy that we can start encouraging the private sector to take on apprentices. This is one method of doing it. We are hopeful that it can initiate some good things.

**Mrs. Firth:** I know the Minister has presented information packages, but how does the approval process for that work?

**Hon. Mr. McDonald:** Under legislation, the director of apprenticeship training is responsible for designating apprentices in the territory, and his approval would be required, in any case.

**Mrs. Firth:** I have had people come to me and say that they are interested in this program, and they want to know what they are

supposed to do, and how they can know whether they will be eligible or not. I direct them to the department. Has the Minister had a lot of requests within the department for participation in this program?

**Hon. Mr. McDonald:** The program has not come to full fruition. It has not fully gelled within the department. There have been about a dozen inquiries as to what the government is looking at doing.

**Mrs. Firth:** Do I get from the Minister that there is no one actively participating in it yet? When does he expect that there will be?

**Hon. Mr. McDonald:** That is correct, there is nobody participating in it yet. I hope that very soon the things will come together and employers can be encouraged to take on apprentices.

**Mrs. Firth:** How many individuals are participating in the in-house apprenticeship program?

**Hon. Mr. McDonald:** There are 24 persons participating in it at the present time.

**Mrs. Firth:** Can the Minister tell me how many students we are expecting to employ in the Yukon this year in all of the programs that are provided by YTG and by the federal programs?

**Hon. Mr. McDonald:** Between Canada-Yukon Challenge '86, Youth Employment and Training Program, Summer Student Career Program, Computer Camp, there are about 570 positions.

**Mrs. Firth:** When the Minister was making the decision about the *Student Financial Assistance Act* amendments, was there any analysis or consideration given to the possibility that the numbers of students returning to work for the summer might be reduced?

**Hon. Mr. McDonald:** There were a number of reasons for the decision to propose that students not be requested to come back for the summer. Many of those decisions relate to the ease of the student coming back, and leaving their dates and the costs associated with it, et cetera. As well, there was the fact that there is less money coming from the federal government for summer student programs, and there are fewer places this year than last year as a result. That was one of many considerations.

**Mrs. Firth:** We can get into further discussion when we debate the bill. I do not have any controversial issues to raise, I just wanted to know how the department analyzed the decision and if they looked at the impact it would have. I am kind of interested in that analysis.

How is the money divided up in the budget now? Where do I find all the dollar allotments for the programs that are being provided?

**Hon. Mr. McDonald:** Under Administration, the Member will appreciate that Program Administration and Student Financial Assistance are the two major items in that line item.

Under Research and Planning, there is a Research and Planning Unit for Advanced Education and Manpower.

Under Manpower Development there are Manpower Programs: Manpower Development, Employment Development and the In-house Apprenticeship Program. Under Yukon College is Yukon College.

**Mrs. Firth:** I am looking to see how the Minister has combined the activities from the previous budget into the new budget. How much money is identified for the Job Retention Program, and is there still a committee that approves the projects?

**Hon. Mr. McDonald:** The Job Retention Program for Small Business was considered less necessary this year. There is a Canada-Yukon Program that picks up most of the slack that we feel may have been left as a result of the negation of that program. It was decided to put that funding into other programs that we identified.

There was the new Canada-Yukon Program, Small Businesses Training Program, that is essentially the same program but with a training element attached. It was felt that the Job Retention Program for Small Business was something that was definitely necessary in harder economic times and less necessary in times of recovery.

<sup>24</sup> There is always a danger in wage subsidy programs to have an inbred dependence on those programs over a long period of time if one is not careful. We feel that now the economy is coming back into shape we would like to redirect funding to better purposes.

**Mrs. Firth:** The Minister may find this a surprise, but I agree

with him. I believe the intention of the previous government when they established the program was that it not go on forever. It was something that was done because of the economic circumstances and the intention of keeping the employees within the small businesses as opposed to having them on unemployment insurance.

Has the Minister received any reaction from the business community about the program. There used to be a fairly hefty participation in the program.

**Hon. Mr. McDonald:** I have not heard complaints from businesses. The participation rate in the program dropped by approximately 25 percent over the last year. There is less of an indication of requirement for it.

**Mrs. Firth:** I have heard a concern from some business people in the Yukon about the programs that are provided not only for students, but for other employees. There would appear to be a conflict between two business partners hiring relatives of one of the other business partners.

Is the Minister aware of any of those complaints? Is that a conflict? If you had a business that had two partners and the daughter of one of the partners wanted to work in the company, that is apparently not allowed under the regulations.

**Hon. Mr. McDonald:** I believe that even you have brought this concern to me on at least one occasion. On joint federal-territorial programs, there is a federal stipulation family cannot be hired under the program.

We bend the rules as much as possible, recognizing the smallness of our community and the fact that many businesses have a need to hire family. We try to bend the rules in exceptional circumstances.

**Mrs. Firth:** That would only apply if the Government of Yukon was making a contribution to the total program. Does it completely exclude it if the federal government has any participation in the program?

**Hon. Mr. McDonald:** Because these are joint programs and there is a Yukon share of the funds, if someone comes forward with a request under the joint program to fund a project and some of the terms are considered questionable under federal rules, we would bend the rules by assuming that particular project on our own, out of our share of the funds.

<sup>25</sup> **Mrs. Firth:** I thank the Minister for his explanation. I can answer some questions for some people. If they find themselves in that sort of circumstance, would they then reapply through the territorial office for assistance, because they were denied at the federal office.

**Hon. Mr. McDonald:** Yes. They would apply through the territorial office.

**Mrs. Firth:** I notice the government is trying to keep its own unemployment statistics now. Are we still in that bind, where unemployment statistics for BC-Yukon are supplied, and we do not know how many unemployed persons we would have here in the Yukon, or are we getting more accurate figures?

**Hon. Mr. McDonald:** Yes, it remains our understanding that no Yukon-specific stats are compiled to give us a better picture of our own position.

**Mrs. Firth:** Are we still in the same difficulty? If there are a number of unemployed persons in a particular trade in BC, that we do not get federal assistance to provide that program at Yukon College, say we had a demand for a certain trade?

**Hon. Mr. McDonald:** The situation is altered to the extent that the Province of British Columbia has a list of designated trades of their own. We have a list of designated trades of our own.

**Mrs. Firth:** So we would not run into the problem, then, that if we needed to provide a program here for a specific trade, if there was a high unemployment level in that particular trade in BC, they would not tell us that we cannot have it?

**Hon. Mr. McDonald:** That is right.

**Mrs. Firth:** There still seems to be a lot of difficulty getting the message to the federal government about us needing some unemployment statistics of our own. I remember about four years ago being promised that we would have our own statistics, and that was under a previous federal government. Obviously, the new one is no more cooperative. We will just have to chart that and remember it.

What does this department have to do with immigration, if anything, anymore?

**Hon. Mr. McDonald:** The responsibility for immigration matters, or commenting on requests for the Yukon territorial government's position on immigration, has been transferred to ECO from the Department of Education.

**Mrs. Firth:** That is right. I believe that happened a while ago. I have some recollection of that now. I am prepared to go into the line debate now.

**Chairman:** Any further general debate?

**Mr. McLachlan:** Last May we lost a very large number of apprentices from Faro, for reasons that we are all familiar with and beyond the control of this government. These apprentices were in their final year of training. When someone completes their third year and two months, and completes the final portion of the training in British Columbia, Alberta or Ontario, because of the interdisciplinary nature of the agreement between Canada and the provinces, is there any reimbursement to the originating jurisdiction that completed three-quarters of the apprentice's training, or are you just out money?

<sup>26</sup> **Hon. Mr. McDonald:** The federal government does not pay towards apprenticeship training. It is the employer who pays for hours of work, et cetera. The federal government provides funding for the training portion, the classroom portion itself; we do not fund it ourselves.

#### *On Administration*

**Mrs. Firth:** Could we have a breakdown on this? There has been quite a substantial increase from 1984-85 to 1986-87.

**Hon. Mr. McDonald:** Under Program Administration — I will break it down by Program Administration, Student Financial Assistance — both incorporated into this line. We show \$5,600 for the negotiated salary increases, \$8,400 for the merit increases and \$1,000 for price increases over normal personnel costs. There is a transfer of one clerk-typist in this branch from Manpower Development. There is also the transfer of the Emergency Needs Fund from Yukon College to this branch for \$250,000. There is a JES variance of \$9,500. There is also, under Student Financial Assistance, a \$36,000 increase for air fares that we project will take place. There were transfers of \$26,000 worth of training allowances from Yukon College to this line for the function of Student Financial Assistance. There were some minor increases, less than \$1,000 and just over \$1,000 for the negotiated salary and merit increase.

Those are essentially the reasons for the overall increases.

**Mrs. Firth:** Perhaps the Minister would provide us with the new organizational chart of Advanced Education and Manpower, as he did with the Public Schools. How many person-years are there altogether under Administration?

**Hon. Mr. McDonald:** There are seven person-years in Administration, three in Research and Planning, seven in Manpower Development, plus we include 20 person-years for the In-House Apprenticeship Training Program. There are 61.5 person-years in Yukon College.

**Mrs. Firth:** Can the Minister tell me where the 6.1 increase in person-years went to? I am comparing 1984-85 actual of 79.5 person-years with the 1986-87 estimates of 85.6. He said there was a clerk-typist in Administration.

**Hon. Mr. McDonald:** The clerk-typist was a transfer within the department. The 6.1 consists of 3.1 for Community Academic Upgrading and 3 for the Business Management Program.

<sup>27</sup> **Mrs. Firth:** Is that 3.1 for the community academic upgrading and 3 for the business management? Can the Minister tell me exactly what that involves? Are those instructors going to communities? I know there was \$185,000 identified for academic upgrading that the Minister previously mentioned. Is that on top of the money for the 3.1 person-years or is that included in that amount?

**Hon. Mr. McDonald:** The 3.1 person-years were at one time contract person-years and we are making those positions permanent. The 3 person-years for the business management program that will be delivered in the communities are additions to the complement.

**Mrs. Firth:** Are the 3.1 person-years for community academic upgrading going to be going to the communities for teaching? And are the 3 person-years going to teach band administration in the

communities? Is there going to be a municipal advisor from the Department of Community and Transportation Services giving advice in the communities as well?

**Hon. Mr. McDonald:** The 3.1 person-years for community academic upgrading are the combined work of approximately five people who are in the communities. There is not one person-year for one person. They are portions of person-years. They live in the communities.

The three person-years for the business management program would be itinerant teachers who travel around to the communities to provide the service.

**Mrs. Firth:** Could the Minister give me that information in writing. I know what it is like when you start sharing one person-year. Before you know it, you have 10 people. When you have 3.1 person-years, you could have forty people. Could the Minister get me a list of those so I could follow who is in the communities and who is travelling around?

How is the Business Management Program going to be delivered with those three person-years? Is it going to be done with mobile units?

**Hon. Mr. McDonald:** I can deliver the list to the Minister. Yesterday when we debated the library clerks, we added .318 of a person-year, and it happens to be the work of eight people in the community.

The Business Management Program would involve courses that would be held in the communities, working out of the community learning centres. It is a management course and as such does not require a great deal in the way of equipment. They would use existing community learning centres for a start.

<sup>28</sup> **Mrs. Firth:** Some of those community learning centres are not exactly very large. Some are quite small. Is this the kind of course that is going to have a program provided, with textbooks and so on, and they are going to have to meet certain academic requirements?

**Hon. Mr. McDonald:** Firstly, the community learning centres are of varying sizes. There are times when the local school can be used, or the local highway garage can be used, et cetera. It is very hard to identify the specific campus. In Dawson's case, there is one classroom, and also the highway camp and the school are used.

In the case of this administration course, the program materials are being developed now. The course will be individualized as much as possible, so that the individuals who are working in municipal and band administration can have very direct and personal help. There will be the opportunity for persons who are not currently working to also participate. To the extent that equipment is available, it will be used. There is the third mobile coming forward. It will have computer equipment contained therein to be able to provide the hardware to the extent that it is necessary in certain selected communities.

**Mrs. Firth:** Can the Minister tell me the educators of the business management course are going to be paid, and what their qualifications are?

**Hon. Mr. McDonald:** I do not know what they will be paid yet. As far as job descriptions and the qualifications necessary, they have not been worked up yet in consultation with the Public Service Commission. It does not need to be said, but we are hoping that qualified people, who have the experience and the qualifications to provide the service, will be hired.

I cannot give the Member any specifics, but if she would like those when they arrive, I can undertake to have them delivered to her.

**Mrs. Firth:** How much money is identified in this budget for it?

**Hon. Mr. McDonald:** The funding for the itinerant instructors is \$96,000 for three people. There are other costs associated with delivering the program. If the Member wants specifically what those costs are, we could probably find the details.

**Mrs. Firth:** The Minister gave me a bit of a fright there for a while. I got the impression that he did not know how much these people were going to make, or how much it was going to cost, that he just wanted me to approve the three person-years. I see now that is not the case, and that the Minister has his homework done after all. I can breathe a sigh of relief.

When is this supposed to start? Is there a big demand for it? Have there been a lot of Bands registering an interest?

**Hon. Mr. McDonald:** There have been many requests. I have had requests from the AYC members for quite some time now. There have been requests from the Bands, from CYI anticipating a land-claims agreement. The requests have been in process for a number of years for this type of program. There have been many requests anticipating a land claims agreement and more responsible local government. I have had a wide variety of requests over a long period of time.

**Mrs. Firth:** I do not want the Minister to take this in the wrong context, but the whole thing seems rather avant garde to me. I believe that is the comment he made about some individual he had come up and do a report for the department. We will just wait and see how much this is going to eventually cost Yukoners.

How long is the Minister expecting this to go on? Is this expected to go on forever?

**Hon. Mr. McDonald:** This is a pilot program for this year. There will be every intention of providing the service at varying levels over the years as the demand persists. Clearly, over time, we would hope we could develop a fund of talent at municipal and band levels to satisfy future requirements, but, as long as there is a need, we will provide the service at varying levels in future years.

**Mrs. Firth:** Once three person-years are established, and the money is identified, I would respectfully submit that it would go on for a long time. Where are the six person-years going within the four activity lines?

**Hon. Mr. McDonald:** The 6.1 person-years will all go under Yukon College.

**Mrs. Firth:** That is included in the 61.5 person-year allocation the Minister previously gave me?

**Hon. Mr. McDonald:** No, it is not included. My apology. The number is 67.6 now.

**Mrs. Firth:** Sounds good to me. Can the Minister tell me how many students are applying for Student Financial Assistance and how much money it is costing?

**Hon. Mr. McDonald:** Does the Member want to know how many are applying, or how many took advantage of the program?

**Mrs. Firth:** I do not imagine that many are turned down, unless the number is significant. I would like to know how many are benefitting from the program and how much money it is costing the government. If there is a large number that are falling through the cracks, I would like the Minister to give me that number as well.

<sup>30</sup> The statistics are found on page 110. I do not have any contradictory statistics. The total volume of grants that we anticipate putting out next year would be a value of \$1,094,000, under the Student Financial Assistance.

**Mrs. Firth:** The Minister made a comment about the numbers of applications, as opposed to the numbers who were receiving the grant. Is there a significant difference?

**Hon. Mr. McDonald:** The Member is quite right. We do not turn down very many; a marginal number. Most people qualify. I presume we could find out, if the Member wants.

**Mrs. Firth:** I do not think I need that figure. I have a good idea that it is probably not even a handful of students.

**Mr. McLachlan:** Although we administer the program on behalf of the federal government, must we also collect the money back on behalf of the federal government on the student loans?

**Hon. Mr. McDonald:** I presume the Member is speaking of the Canada Student Loans, not the Student Financial Assistance, post-secondary grants that the Yukon government provides. The only service that the Yukon government provides is to process applications on behalf of the federal government. Apart from that favour, our responsibilities are negligible.

**Mr. McLachlan:** That is fine. That is what I am after. It is just an administration function. We are not on the hook for anybody who does not eventually repay any loan?

**Hon. Mr. McDonald:** No, we are not.

*Administration in the amount of \$1,906,000 agreed to on Research and Planning*

**Mrs. Firth:** Unless the Minister has anything significant to say, there has been a 19 percent increase. I can assume what it is for. I

do not see anything particularly outstanding about the line.

**Hon. Mr. McDonald:** There is nothing really to say there. *Research and Planning in the amount of \$145,000 agreed to on Manpower Development*

**Mrs. Firth:** Could the Minister tell us what the increase represents?

<sup>31</sup> **Hon. Mr. McDonald:** Besides the salary increases, price increases and other personnel costs, some of which have been mentioned already, there is \$75,000 for the Canada-Yukon Small Business Training Program, there was a transfer of funding from Yukon College for funding the updating and upgrading courses, there was JES and there was \$7,500 for travel for the steam engineer. As I mentioned, there was a transfer out of \$24,000 for the clerk-typist going to Administration. The balance really is 2.9 percent increase across the board for non-personnel costs. The merit increases and the negotiated salary increase are primarily it.

**Mrs. Firth:** Before we go to Yukon College, these two items, as well as the increase in the administration, represent a fairly hefty increase from the previous budget, namely from the 1984-85 actual to the 1986-87 Estimates a \$2.1 million increase. On page 103 in allotments there is a large increase indicated in Personnel and Other. The Personnel would deal with salary dollars, JES and new person-years, but does that amount to \$1 million? There is more than a \$1 million increase from \$3,969,000 to \$4,989,000.

**Hon. Mr. McDonald:** Personnel were about \$269,000. I did not explain changes from 1984-85 through to 1985-86. I think we would have to go back and discover what additional change there was between the actuals and the estimates for 1986-87.

**Mrs. Firth:** The changes would be in the person-years, I would assume, because of the personnel line and the allotments. In the past two years has there been that significant an increase in the person-years in the department?

<sup>32</sup> **Hon. Mr. McDonald:** In the last couple of years the programming at Yukon College has been expanded fairly significantly. It does not always show up in the person-year column. In the last couple of years three consultants were added in Manpower Services to provide assistance to small business around the territory.

Those are the people who travel to operations such as Curragh Resources and United Keno Hill Mines to assess training needs and to assist those people with their manpower requirements.

As part of the package I handed out in the Legislature, there was, besides the Work Yukon pamphlet, a folder that provided information of assistance to employers. That is the kind of work that those consultants would do.

**Mrs. Firth:** That is the package *Better People Management for Better Business* that comes courtesy of Alberta Manpower. Can the Minister tell us what the consultants' salaries would be? How much is this service costing us? How many businesses are taking advantage of it?

**Hon. Mr. McDonald:** Salaries are in the neighbourhood of \$35,000 to \$40,000. Can the Member repeat the latter portion of the question?

**Mrs. Firth:** How much utilization is there of the service that the three consultants are providing?

**Hon. Mr. McDonald:** These people are on the road all the time. There is a very heavy demand for their services. There are some statistics on page 105 that might help the Member.

**Mrs. Firth:** I have seen those. I am checking up on the Minister. Does he know anything about the program? How strongly does he feel about the program? I do not know. It is another three person-years, another three consultants and another \$90,000. It is a lot of money that we are spending in this area. I would like to have some reassurance that we are getting our money's worth and that programs are being utilized.

Is the Minister doing some evaluation, or having his department officials doing some evaluation, as to the cost effectiveness or efficiency of the programs that are being delivered?

**Hon. Mr. McDonald:** The evaluation of the program is ongoing. I would invite the Public Accounts Committee and the auditors to review their effectiveness on behalf of the Legislature.

The reason for calling in the consultants was not my decision but that of the previous Minister when the program was established by

the previous government.

**Mrs. Firth:** Just to clarify something, just because the previous government established it does not mean it is to carry on forever and does not need to be assessed on an ongoing basis and evaluated. I raised a concern with the Minister before during debate about evaluation programs being done by the program participants themselves; I think it was in relation to the Local Employment Opportunities Program. I expressed at that time some concern that the Minister thought was valid about the participants of the program doing an evaluation and maybe not as objectively as it could be done if it were done in a more efficient way. I am not talking about the public accounts, I am talking about some other evaluation system program or policy and planning, as some of the other departments do. Has the Minister considered any evaluation under those kinds of directions?

**Hon. Mr. McDonald:** I do not want the Member to get me wrong with respect to our commitment to provide the consultant services. We are 100 percent committed to providing the service and to continue providing the service into the future. The program evaluation issue was discussed under the line item in supplementary estimates, and I believe that the Member was quite right to the extent that program evaluation should not be done solely by the participants of the program themselves. Clearly it is necessary to have their cooperation in order for it to be truly effective, but in this case program evaluation is conducted to test the effectiveness of these programs. It is done jointly with the private sector for all of these services, without exception. There have been serious attempts to maintain very close ties with the private sector in order to evaluate their needs as soon as possible. We would like to see that relationship continue and improve.

**Mrs. Firth:** Can the Minister tell me what the \$1 million increase from 1984-85 to 1986-87 is under the allotment Other? Also, can he tell me if, in the O&M costs for the College, there are any identifications for the new College? And, what is here for the old College?

**Hon. Mr. McDonald:** With respect to the new and old College, there are not allotments yet for the new one, only for the existing one. It would certainly be a lot easier to identify the differences between 1985-86 forecasts and 1986-87, rather than going back another year. Perhaps we could start by 1985-86 to 1986-87.

**Hon. Mr. McDonald:** The difference between 1985-86 and 1986-87 includes \$258,000 transferred from the College, and includes price increases. One hundred and ten thousand dollars is for new courses development, travel, basic price increases. There is \$16,500 for research and planning, and \$289,000 for a variety of things; \$298,000 for Yukon College, for the Old Crow learning centre, community academic programs, upgrading programs, business management programs, basic price increases. Those are the reasons for the others.

On the question of the changes between 1984-85 and 1985-86, I would have to come back to the Member with those.

**Chairman:** We will recess for 15 minutes.

*Recess*

**Chairman:** The Committee of the Whole will now come to order.

**Mrs. Firth:** We were talking about the other line item on page 103 in relation to Manpower Development and Yukon College and the line item under allotments Other.

In the information that the Minister gave me regarding the increase in the cost of Other, he mentioned, three times, basic price cost increases in relation to the programs that are being delivered in the Yukon.

Is there a remarkable increase in these programs? Could he elaborate a little more on that?

**Hon. Mr. McDonald:** There is an estimated 2.9 percent increase across government that is generally used. It is purely an estimate on what could happen over the course of the next year.

**Chairman:** Is there anything further on Yukon College?

**Mrs. Firth:** The Minister said there were 23 or 24 people

participating in the in-house apprenticeship training program. When do they complete their apprenticeship? I would assume it would be at varying times. Are they being filled regularly as they are becoming available?

**Hon. Mr. McDonald:** There is a continuous inflow-outflow. When one person finishes their training, another person begins.

**Mrs. Firth:** I gather the program is being utilized, but is there a waiting list for that? I gather the program is being utilized.

**Hon. Mr. McDonald:** When there is a vacancy, there is an advertisement in the paper to fill the vacancy. People can apply at that point. There is not a long term waiting list to get into particular trades. The trades will vary as the positions come open.

**Mrs. Firth:** Is the same approval process as with the AIM Program, the individual who is responsible for the apprentices?

**Hon. Mr. McDonald:** With respect to the AIM Program, the connection is more closely associated with the employer, to encourage the employers to take on apprenticeships in accordance with the employers needs. Obviously the Member knows what the relationship is under the in-house apprenticeship training.

*Yukon College in the amount of \$5,572,000 agreed to  
Advanced Education and Manpower in the amount of \$9,810,000 agreed to*

*On Recoveries*

**Mrs. Firth:** Could the Minister tell me where the Public Schools branch recoveries are coming from?

**Hon. Mr. McDonald:** The Public Schools branch recoveries would include such things as parents' contribution toward the accommodation at St. Elias. I remember stating that locker fees would not be included. There are a variety of things, but a major one would be St. Elias.

**Mrs. Firth:** The Advanced Education and Manpower expenditures are going up considerably, while the recoveries are going down. Is that just as the Minister has mentioned, that the federal government is participating less?

**Hon. Mr. McDonald:** I could give a very specific breakdown of those recoveries, but the Member is basically correct, the federal government is not buying as many spaces as they have in the past.

**Mrs. Firth:** Why are they not buying them?

**Hon. Mr. McDonald:** The reason for the federal government not spending as much money on the purchasing of places is that they felt too much was being spent on institutional training. There were implications from the Nielsen Task Force report that suggested too much was being spent in this area. Generally, there is a tightening of the coffers in Ottawa. There is not as much funding coming from the federal government to purchase those places and fund the Manpower Program.

**Mrs. Firth:** Which places are they not purchasing as many of? What kind of impact is it having on us? Is it something we need; is there a shortage?

**Hon. Mr. McDonald:** With respect to Manpower Programming, there is a cutback there in terms of the level of participation. In the purchase of places there is not as much in carpentry and auto mechanics. Generally, if the federal government feels that there is no shortage in Canada of a particular trade, then it is hesitant to purchase places in that field. It does not necessarily mean that there is a shortage of desire by Yukoners to participate; it is simply deemed that there is not as much of a need for training in those areas.

**Mrs. Firth:** Can we move to page 112? There is an asterisk beside Post-Secondary Student Grants, but there is nothing at the bottom of the page saying what the asterisk is for. Can the Minister give me a hint please?

**Hon. Mr. McDonald:** I do not know what the asterisk is for apart from the fact that it is highlighting a very valuable service that the Government of Yukon provides to the public.

**Mrs. Firth:** That is so much baloney. I know the asterisk was put there for some reason, and usually it is to highlight something. Can the officials or the Minister recall what it was? Maybe it is a typo.

This estimate for Post Secondary Student Grants is for \$71,000 more than the total value of grants for Student Financial Assistance on page 110. Can the Minister explain why?

**Hon. Mr. McDonald:** I do not have an explanation for that. I will provide it later.

**Mrs. Firth:** If we are going to pass the Budget, could the Minister give a commitment to bring it back when we debate the *Student Financial Act* in Committee of the Whole?

I would like to move on to Contributions, unless the Member for Faro wanted to ask a question on the Post Secondary Student Grants.

There has been quite a large increase in Employment Development. The Job Retention Program has decreased. Is there any relationship between those? Can the Minister explain why there is the large increase in Employment Development?

**Hon. Mr. McDonald:** The employment development increase is for the funds that we put toward the joint Federal-Yukon programs. Many of those programs, the Member will appreciate, start late in the year and could not be fully expended. This will be for the full cost for a year's worth of delivery.

**Mr. McLachlan:** I also had a question about contributions. I had asked the Minister about increased funding for student transportation, and he informed me yesterday that it had increased from \$32,000 to \$59,000. If that is correct, and we are talking about the same line item and the same amount of money, that would represent a decrease of \$20,000, since we were already at \$79,000 in the 1986-87 budget.

**Hon. Mr. McDonald:** The student transportation shown here is for the per family per day fee for those families who do not receive regular busing service for transporting their children to and from school. The \$59,000 figure, which I provided for the Member yesterday, was for the extra-curricular budgets in total for all the schools in the territory.

**Mrs. Firth:** I have one last question for the Minister about the Youth Venture Capital Program. I see the Minister has made a commitment to carry on with the program. I recall in opposition he was not a big advocate of this program. Can he give me any indication if he has changed, and feels that this is now a useful program to encourage private entrepreneurial spirit within our young people?

**Hon. Mr. McDonald:** When in opposition, I recall that I brought to the then Minister of Education's attention that there could be some other way of indicating to people who may not be entrepreneurs, but who may be employees — a question of employee rights, and that sort of thing. The Minister at that time chose to interpret that as a vote of non-confidence in the Youth Venture Capital Program. I indicated at that time that it was not a vote of non-confidence. The fact that it exists today is an indication of the confidence that we have in the program.

The difference between the program as originally conceived, and the program as it exists now, is that we are considering entrepreneurial projects of a year-round nature, rather than simply summer long projects. That was a request made by a number of people. We have no problem doing that. I think it makes some good sense.

**Mrs. Firth:** I would agree that that is a good progressive step to encourage the utilization of the program.

**Mrs. Firth:** Before we move out of Education, if I could get the Minister's attention one minute so I can pay him and his officials a compliment and tell him that I feel the department officials have done a very good job in preparing the Minister for the debates. I know he could never have done it without them.

I feel the Minister has conducted himself well in the Education debate, and I have enjoyed the exchange that we had.

**Hon. Mr. McDonald:** I, too, would like to thank the hard working officials of the Department of Education, whether they be in the gallery or by my side for the last 12 months. I appreciate the good solid effort that they have put forth. I would like to thank the Members, as well, for the way the debate was handled. I am sure it will set a pattern for the future.

*Department of Education in the amount of \$38,704,000 agreed to*

#### Department of Finance

**Chairman:** Department of Finance, general debate.

**Hon. Mr. Penikett:** The Department of Finance plans to employ 46 full-time people in this fiscal year and to make

expenditures of \$3,086,000 to accomplish its departmental and program objectives. No increase in staff is contemplated over 1985-86.

The estimates of the revenues and recoveries to be collected by the Department of Finance amount to \$37,158,000.

The departmental goals for 1986-87 include completion of Stage 2 of the Financial Management Information Systems Project, which includes on-line access to the general ledger by all departments and a computerized commitment control system, implementation of a new electronic data processing system for property tax, and a review of the budget and financial planning system.

To ensure that the financial resources of the Government of Yukon are planned, utilized and controlled in a manner that needs the priorities of government and complies with the statutes is the major objective of the department.

In general terms, the major achievements of the department over the last fiscal year include: major progress in the implementation of a new electronic data processing system for property tax; a major review of government revenues; implementation of exemption of fuel tax for off-highway use; first year of formula financing; major progress on implementation of a new financial management information system; and the establishment of a new government Chart of Accounts for April 1, 1986.

The changes include a restructuring of program activities that resulted in the amalgamation of the revenue and taxation area and the comptrollership area into a Financial Operations and Revenue Services Branch.

Before I invite debate on the particulars, I would like to answer some questions that were put to me earlier in debate.

On April 28, Mr. Lang asked about the composition and terms of reference of the Program Evaluation Committee. I have a letter to Mr. Lang that provides that information. Perhaps the fairest thing to do, with consent of the Member, is to table it and then all Members can have a copy at the same time.

I was asked a question on April 14 by Mrs. Firth on the Financial Management Information System Project by stages.

The objectives of the program and related costs are as follows.

For the Financial Management Information Systems, they are to improve the computer-based central Financial Management Information System in order to: one, provide more timely and accurate financial information relating to budget and actual revenues and expenditures to all operating departments; two, allow departments to utilize the centrally-maintained general ledger system to meet their needs for financial information effectively; three, be easily maintained in the departments and in the Department of Finance; and, four, be flexible and capable of providing a wide range of financial information as required in the operating departments.

The general ledger and chart of accounts part of the project are complete. Further refinements will continue over the next two or three months and the estimated cost of this is \$245,000.

In respect to the Accounts Payable System, the purpose is to acquire and install a computer-based accounts payable system in the Department of Finance that will: one, comply with the *Financial Administration Act* and Management Board Directives; two, ensure prompt and accurate payment of suppliers; three, allow expenditures to be recorded on a full accrual basis; four, allow invoices to be entered in the operating departments; five, provide the required interface with the Software International general ledger and the planned commitment system; and, six, be cost effective in the processing of suppliers' invoices.

This project is expected to be completed in 1986, in the fiscal year. The estimated cost is \$193,000.

The third major area is the Commitment Accounting System. The required commitment system will be designed to: one, record a wide variety of expenditure commitments including purchase orders, requests for purchase and any other firm decisions to expend funds; two, reduce the balance of outstanding commitments automatically when a corresponding supplier's invoice is recorded in the accounts payable system or payment is made related to the commitment; three, maintain an open-item commitment file that will allow a listing of outstanding commitments to be reported to



operating departments at any given time; and, four, support a report writing capability that will produce as required financial reports indicating for each account or group of accounts the balance expended, the balance of outstanding commitments and the free or available balance.

This project is for Phases I and II of the development of this system. Implementation of the system will be required once this project is complete.

A feasibility study is currently underway. The system itself will be developed in late 1986 with implementation in late 1986 and 1987.

The estimated cost of Phases I and II is \$176,000.

The cost of Phase III will depend on completion of detailed design in Phase II. A rough preliminary estimated cost is \$125,000.

“If I might, by way of a page, transmit this document, which has some handwritten notes on it, to the *Hansard* so there can be no error.

As well, I was asked some time ago, at an earlier stage in the debate, a question about investments. I was asked for an explanation of the increase and was asked if the increase resulted from a broadening of government investment policy. The answer is that the Government of Yukon invests surplus funds in the Canadian money market. This practice dates back to January, 1983.

In 1984, the introduction of a new *Financial Administration Act* clearly defined allowable investments, but did not change the government's investment policy. Transactions are negotiated through chartered banks or investment houses in Canada. In the past 12 months, the following have been used as principals on behalf of the government: the Canadian Imperial Bank of Commerce, the Bank of Montreal, Nesbitt, Thomson Bongard Incorporated, Wood Gundy Limited, Walwyn Stodgell Cochran Murray Limited, Dominion Security Pitfield Limited, Merrill Lynch Canada Incorporated, Midland Doherty Limited, Richardson Greenshields of Canada Limited.

As required by the *Financial Administration Act*, the government invests only in securities that are issued by, or are guaranteed by, the Government of Canada, a province in Canada, a Canadian chartered bank, including swapped deposit transactions in US currency or commercial paper, rated in the highest rating category by at least two recognized security rating institutions.

In the past 12 months, the following types of investments have been purchased by the Yukon government: Treasury bills of the Government of Canada and various provinces in Canada, promissory notes guaranteed by the various provinces or chartered banks, bearer deposit notes issued by various chartered banks, bankers' acceptances issued by various chartered banks, and term deposit receipts issued by various chartered banks.

Beyond the restrictions of the *Financial Administration Act*, an individual analysis is done on each credit before an investment is made. This evaluation takes into account the size of the debt issuer, the current published credit ratings and financial data available.

The increase in estimates, from \$3,250,000 to \$5,500,000, is largely attributable to two factors. Firstly, the rates of interest in the 1985-86 fiscal year have been higher than originally anticipated. Secondly, formula financing has so far provided larger working capital balances than the previous financing arrangements.

I was also asked, by Mr. Lang, what effect the transfer of approximately \$7 million of capital block funding at April 1 of any given year is going to have on the investment section of the revenues. I regret to say that it is impossible to calculate the effect of municipal block funding on investments in any meaningful way, without estimates of all government revenues and expenditures for a given year.

Since the block funding is not intended to begin until April 1, 1987, and no decision has been made with respect to total revenues and expenditures for future years, an estimate of the possible impact of block funding on investments at this stage would be fairly hypothetical. In any event, the block funding formula is not likely to generate an impact to an additional \$7 million on the financing of the Yukon government. Funding for the municipalities under the formula is currently expected to approximate \$5 million to \$6 million, so the net impact on government finances is more likely to

be in the order of \$1 million.

“There may be one or two other questions that were asked before that I can answer as we get into the line items.

**Mr. Phelps:** The Minister read a list of banks and brokerage houses. I did not catch whether or not they were advising the government or if they were offering the securities.

**Hon. Mr. Penikett:** We have one person in the Department of Finance who essentially carries out the work. These people place the money on our behalf according to the strictures imposed by the *Financial Administration Act*.

**Mr. Phelps:** How did the government decide upon these placement houses over other placement houses? How did they make the decision as to the relative amounts to place with each house?

**Hon. Mr. Penikett:** We play a surprisingly passive role in that we do not go to the market looking for houses. They are continually coming to us and saying that they can place money for such and such a period at such and such a rate at this return. They ask us if we have any short term investment money available for this purpose?

**Mr. Phelps:** Is the analysis done independently in-house? Is there someone with special qualifications who is performing that duty? What are those qualifications?

**Hon. Mr. Penikett:** The person who is doing this in the Department of Finance is, by training, an accountant. He has been working in this field for a number of years, so he has acquired some expertise in this field.

**Mr. Phelps:** There are severe restrictions on the types of investment. Do treasury notes and other kinds of securities issued by, for example, the US not fall within the range allowed?

**Hon. Mr. Penikett:** The swap accounts would be permitted. The precise guidelines are set down in regulations under the *Financial Administration Act*. They are public record.

**Mr. Phelps:** I do not want to get into something that is already a matter of public record. I am curious as to whether or not there is a potential risk with regard to foreign exchange rates in any of the allowable investments. If so, has this government analyzed these risks?

**Hon. Mr. Penikett:** There is some risk, and that is a factor that must be taken into account by the officials in the Department of Finance when placing this money.

**Mr. Phelps:** Has the government placed money that would be subjected to fluctuations in foreign exchange, particularly in the Canadian and US dollar, in the past year?

**Hon. Mr. Penikett:** Yes, money has been placed in swap accounts in the past that would be subject to that risk. I do want to emphasize that the people concerned in the Department of Finance proceed most prudently. For example, we were invited to invest in the Northland Bank and declined.

“**Mr. Phelps:** I am very pleased with that decision. I am wondering what kind of external advice we get with regard to the foreign exchange market because that is a very risky market indeed. I wonder whether the person in-house has that kind of expertise or if we actually go to outside experts.

**Hon. Mr. Penikett:** On a daily basis, the person in the Government of the Yukon deals with the brokerage houses and sees what kind of offers are out there. I recall — but I am harking back to some information I got from Mr. Pearson in the days when he was in my position and I was in the Opposition Leader's position — when we first began to enter into this field that some professional expert advice of a global nature was obtained from some professionals. I do not recall who and would have to check the *Hansard* records for that. It is a fairly new activity for the government.

**Mr. Phelps:** Can the Government Leader tell us what kind of success the government experienced with regard to investing and the foreign exchange rate? Was it a negative or positive experience in terms of the investments?

**Hon. Mr. Penikett:** I hesitate to say this, and would want to touch wood when I say it, but we have had nothing but good experiences so far. The experiences on record are very good. But I touch wood because having said that something will go awry tomorrow, but to date our track record is very good.

**Mr. Phelps:** Does the investment analyst do any outside work, because I know that the Member for Porter Creek East does, and I would be interested in discussing our affairs with him.

**Hon. Mr. Penikett:** That would not be permitted at the moment.

**Mr. Phelps:** I would like to move on, unless there are some questions.

**Mr. Lang:** While on the concept of investment, I was kind of surprised to hear the comments made by the Minister on the question I had put forward on the community block funding act and the ramifications thereto. Is it not true at the present time, in policy, that unless money is directly transferred to the municipalities that money is available for the Government of the Yukon Territory to invest until the time a transfer takes place to the communities, as far as the capital side of the budget is concerned? For example, if an arena is being built and it goes ahead in July for \$3 million, effectively up to that point the Government of the Yukon Territory has that \$3 million to invest, at which time we must pay our bill and transfer it to the municipality?

**Hon. Mr. Penikett:** That has been, and still is, the practice. Until such time as we issue a cheque we still have the money and may invest it. Of course, we also keep a certain amount of cash on hand. We do not want to have a cash situation where we could not meet our obligations. It is a relevant matter in terms of the issue the Member has raised with respect to municipal block funding. Of course, the major variable there is the size of the surplus at any given point.

**Mr. Lang:** What I am asking is that in view of the fact we are going to take \$7 or \$8 million as of a certain date and transfer it to the communities and they will do what they wish to do with that money, including accruing interest. In the decision to go ahead with community block funding, was the ramification to the public treasury taken into account as far as lack of revenue on the investment side would do to the government?

**Hon. Mr. Penikett:** Yes, by making more money of this kind available to the communities, there would be less money available to us for such purposes as the investments we are now discussing.

**Mr. Lang:** We are agreed to that point. In the decision to go ahead with community block funding and the major departure from the policies of the past, was this taken into account when the definitive decision was made by the government to move to community block funding? If so, how much was it going to cost the government?

**Hon. Mr. Penikett:** I have already explained what, to the extent that we can, the impact will be. Yes, it was taken into account, but it was not the major consideration. In the same way that Ottawa is interested in devolving responsibilities to the Yukon, and the Yukon is interested in taking them on, and Ottawa has devolved financial responsibility to us, and money to us, we want to continue that devolution to the communities, because we believe in it, giving them the financial wherewithal that goes along with that increased level of responsibility.

**Mr. Lang:** I want to caution the Minister. I am not here to discuss the merits of the transfer of the dollars. We are talking about \$7 or \$8 million, which accrues certain investment revenues to the Government of the Yukon Territory over a period of time. That money is no longer going to be available for the government to invest.

The Minister stated it was taken into account. What were the projected costs, knowing the assumptions of his financial framework under the present formula with the Government of Canada? What was the effect going to be on the investment element of the budget?

**Hon. Mr. Penikett:** For a start, because we have not set the Capital Budget for next year, but we have talked about \$7 million approximately, we do not know. I have also indicated to the Member that, under current arrangements, we are talking about between \$5 million and \$6 million. The Capital Budget takes effect in April 1. Much of the expenditure on that, if the expenditure patterns hold true, occur near the beginning of the fiscal year. Some of them occur later, but the building season falls closer to April 1 than it does to the year end, March 31.

The difference between the global amount we talked about, \$7 million, and the amount that we are now spending for municipal capital, is something in the order of \$1 million, as we have currently discussed it. It is the potential investment revenue from that \$1 million that is really the subject of discussion here.

**Mr. Lang:** No, it is not. I beg to differ. He said it was taken into consideration. I wanted to know what his projected costs were going to be, on the average. For example, when he passes his budget on April 1, it can go April, May, June before he has any major capital outlays, depending on the projects of the year. There has to be an average over the past five years to give us an indication of the amount of money we are talking about. We are not just talking about \$1 million. We may be talking, in the outset, two to three months of utilizing that money.

I wanted a rough estimate of what it was going to do to the revenues accruing to this government with that transfer effectively taking place April 1, in any given year, in view of our past experiences. That is all you can go on.

It is not just \$1 million. It could be \$7 million with three months' interest.

**Hon. Mr. Penikett:** While the government has produced some revenue from these investments, and that revenue is very important, and it is a wise thing for the government to do, the principle purpose of the government is not as an investment house.

The principle purpose of the capital expenditures is to build the infrastructure of the Yukon Territory at the municipal level and at the territorial level. What the actual revenues from the short term investments that we will place next year will be is very hard to say. It depends on interest rates, which have recently been falling. That would have a negative effect on investment return this year.

Until we adopt the Capital Budget in the next year, and depending on the measure going forward, we do not know what the impact on our revenues will be from the amount we will commit to the block funding. We do not have enough information about interest rates for all those things.

I apologize to the Member because I cannot be more precise than that.

**Mr. Lang:** The Minister did say that the financial implications of taking \$7 million dollars and transferring it directly to the communities to permit them to do what they wish with the money was taken into account.

What effect is that going to have on our revenues next year? It must have been taken into account by Management Board.

**Hon. Mr. Penikett:** At the outset of the introductory remarks, I gave the Member the best information that I have from the Department of Finance on the impact. There are just too many variables unknown to us at this point, including the exact amount that we are going to put into the Capital Budget for 1987-88, particularly the allocation for municipal block funding and the other variables such as interest rates for me to be able to predict what the revenue impact will be in 1987-88.

**Mr. Lang:** I am talking about 1987-88. I understand the Minister of Community and Transportation Services has, at least in informal conversations, talked in the neighbourhood of \$7 million. I think that figure was even expressed here at one time.

It was projected what the transfer of dollars and how it will be transferred to the communities would be. What rough figure is it going to cost the Treasury to be able to take this step that was announced in the Throne Speech? Does the Minister have an estimate? If there was no estimate, then say so.

**Hon. Mr. Penikett:** I have given the estimate information that came from Finance. We do not believe the block funding formula is going to have the impact of \$7 million that the Member talks about.

Funding for the municipalities and the formula is currently expected to be approximately between \$5 million and \$6 million. The impact on government finances, and the money that we will have available is more likely to be in the range of \$1 million, notwithstanding the cash flows that the Member talks about.

Given that I do not know what interest rates will be until we make a final capital decision, I cannot calculate it more accurately than that.

**Mr. Lang:** I have been provided with further figures and will



pursue this a little further. Is the figure the Minister put forward for the purposes of community block funding in the discussions with the AYC \$7,340,000? Is that not the figure used in the discussion?

**Hon. Mr. McDonald:** A number of figures have been put forward for discussion. It is impossible to say at this stage what the figure for block funding will be. The figure could be more or less of what has been considered the average for the past few years. It could be identical to the amount that was there last year. In certain circles, it was felt necessary to provide a dollar figure so people could get a sense of what the percentages might mean. Clearly we have to reserve the right to determine what the amount of the block will be. If we choose to reduce the block of capital funds to insure that funding is not lost to this government as a result of investment loss, that will be our right. It is the right of the Legislature to determine that amount in the Capital Estimates in the fall of this year.

**Mr. Lang:** Just for the record could he tell me if the present figure he is discussing with the AYC is \$7,340,000? Is that the figure he has been discussing with the AYC for capital block funding for next year?

**Hon. Mr. McDonald:** I personally have not discussed any set figure with AYC. Department officials have worked out with members of AYC what a given block could mean should certain percentages be worked out and what it would mean to a given community. There has always been the understanding that the block would be determined by this Legislature. There are no guarantees whatsoever about the size of the block. That has been a very clear understanding provided to the Association of Yukon Communities and its members.

**Mr. Lang:** This is getting more confusing. Is he aware of that \$7,340,000 figure being discussed by his officials with the AYC?

**Hon. Mr. McDonald:** At one point I recall the percentages being worked out on the basis of a number of figures. The figure \$7,340,000 does not ring a specific bell, but there was the suggestion that certain percentages based on certain blocks would achieve certain results for certain communities and whole variations have been worked out in the past. Clearly the size of the block would require Legislative approval, but would initially require Cabinet approval.

**Mr. Lang:** We are talking about a budget where certain legislative steps are going to be taken. Granted, some of the effects are going to be in 1987-88. I understand that. What effect is the capital transfer to the communities going to have on our revenues, knowing the assumptions of the past three years or five years? Are we going to be down, for example, \$100,000 because this money will be transferred.

Did the Minister of Finance receive a projection of how much less revenue the government would receive because of that philosophical decision?

**Hon. Mr. Penikett:** No. I tried to explain previously why it would be impossible to be precise about the figure.

The Member wants to talk about approximations. You can make very crude approximations as to the difference between whatever the government finally decides will be allocated for municipal block funding in the Capital Budget and what we have been customarily spending in that area — the return on investments at the point that we will be dealing with, which is the fiscal year starting April 1, 1987. I am sure that the Member opposite knows the kinds of rates of return that one can get on investments.

These projections are not at all useful, at this point, because the key decision has to be made as to what we are going to put into this fall's Capital Budget for next year.

**Mr. McLachlan:** In order to minimize the effect, or the amount of money that the Member for Porter Creek East is referring to that the government may be subject to, would it be the intention of the policy of the government to withhold from the municipality the amount of money, or the interest that they may then accrue, should they get, in the case of Faro, \$800,000, to the bank. They take the \$800,000, put it in the bank, accrue interest in the amount of \$60,000, will the government then decrease their grant in a subsequent year by \$60,000, thereby minimizing the effect on the government of the transferred money at the beginning of each fiscal

year?

**Hon. Mr. McDonald:** The interest that the communities get on money that is received from the Yukon government is allocated to the communities. The communities are allowed to keep that interest. Part of the act that the Members see before them shows that the interest can be used toward O&M funds, or it can be rolled back into capital.

**Mr. McLachlan:** Is it not true that the Government of Canada does this exact same thing to the financial funds that accrue to us from them? They penalize us for money that comes to us and we put in the bank?

**Hon. Mr. Penikett:** They do not penalize us. Because of formula financing, you could argue that there is no net benefit to us. It is still deemed to be prudent for this government, if we have money on hand, to invest it wisely.

To make the obvious point, we established that precedent so that some day, when we do not have the current formula, it is in our interest. Currently the major beneficiary of our investing money wisely is the people of Canada. That is not such a bad thing.

**Mr. Lang:** Do I take it that if the community wishes, under Section 2(2) of the *Municipality Act*, that that particular municipality may request that the YTG invest that money on their behalf in order to get the best return for those dollars? Is that what can take place through that particular section?

**Hon. Mr. Penikett:** I cannot give a legal opinion on that, but I am advised by Mr. Finland in the Department of Finance that there has not been any case where the communities have done that. In other words, we have not been asked to do that.

**Mr. Lang:** Just looking ahead and talking about community block funding, under that particular legislation and the *Financial Administration Act*, could I, as Mayor of Dawson City, request you to invest that money on behalf of our council through the investment houses and investment procedures you have in place in order to get a better return on our money?

**Hon. Mr. Penikett:** I had not had occasion to think about it before but it sounds like it might be a good idea and I will take the question under advisement.

**Mr. Lang:** There are always good ideas emanating from this side, and I say that with modesty.

Going along the line to commit block funding, how much of an increase will that give to the communities over and above our transfers now?

**Hon. Mr. Penikett:** I am sorry I have a fear we are talking about another Bill that is on the Order Paper. If I understand the Member's question, it is about the amounts we are going to be committing to block funding, which does not come under this budget. It will be identified in the Capital Budget, which comes before the House this fall for the first time. Since no formula, I gather, has been negotiated and no Cabinet decision has been about the amount, I am really not in a good position to tell the member the answer he seeks.

**Mr. Lang:** I will put the Minister on notice with respect to this area. He may have given us the answer earlier but we have an increase of interest on investments by \$54,000. Is there any reason for that particular increase over and above the 1985-86 forecast?

**Hon. Mr. Penikett:** The increase in the estimate from \$3,250,000 to \$5,500,000 — I am going ahead to the information for 1985-86 — was largely attributable to two factors: firstly, the rates of interest in the 1985-86 fiscal year were higher than originally anticipated, and, secondly, formula financing has so far provided larger working capital balances than the previous financing arrangements. For the 1986-87 Estimate, the interest that we are doing our projection on is based on the current 90-day treasury bill rate, or was when the budget was established, which was 9.38 percent interest.

**Mr. Lang:** I recognize the difficulties in projecting ahead with the changes in the interest rates that have gone significantly lower. God bless those who are renewing their mortgages. I wish we were all in that position. Obviously, in light of that, the figures here could be substantially lower if that continues. Is that correct?

**Hon. Mr. Penikett:** That is true, and the opposite is true. I thank the Member opposite for his blessing. My mortgage comes up

for renewal at the end of the month.

**Mr. Lang:** I am the last one not to spread a little goodwill around.

Could the Minister indicate the reasons for the increase in the income tax revenues?

**Hon. Mr. Penikett:** The calculation that we get for income tax comes from the federal Department of Finance. It has been aptly put by someone whispering in my ear that it is residue of their calculations for the rest of the country. That does not imply that it is actually done as an afterthought, but when they are doing their own calculations, they do break it down by the different jurisdictions. That is where we get that figure.

**Mr. Phelps:** Did I understand the Government Leader to say that under formula financing a variance in that investment income would not affect our financial picture overall as a government?

**Hon. Mr. Penikett:** As our investment income increases, our grant is reduced accordingly.

**Mr. Phelps:** If the municipalities are allowed to have excess monies then and earn investment income on them, would that be an incentive for them to invest prudently because they would reap the benefit?

<sup>51</sup> **Hon. Mr. Penikett:** Under the present formula, it would profit the municipalities and be to the slight disadvantage of the federal government. All of that assuming that the present kind of formula continues for some time, for which we have no assurances. In the immediate future, that would be the case.

**Mr. Phelps:** Thank you for clearing that up.

I would like to move on to the letter that the Minister tabled to Mr. Dan Lang. I am not sure that this is necessarily the place to ask the question, but we were told in Public Accounts Committee that Finance does take the lead role with regard to the Program Evaluation Committee.

On page 2, one of the programs to be evaluated is stated to be Legal Aid, Department of Justice. I understood that there was going to be remedial action taken to correct that system very shortly. The Minister of Justice was talking in terms of early this summer. Is it inappropriate, given that, to evaluate a program that is going to have radical surgery done to it?

**Hon. Mr. Penikett:** I am sorry if I cannot answer that question as precisely as I might. It is quite possible that a program evaluation might be complementary to an activity we are reviewing and are proposing to make some changes. I assume that whatever changes take place there will still be a Legal Aid Program of some kind and lawyers will still be paid. From a point of view of prudent financial management we will want to have some kind of evaluation of the program as to its effectiveness, economy and efficiency.

In this committee, in establishing some criteria for doing that kind of evaluation, those criteria may, unless the program goes through a very profound change, stand, no matter how the program is refined or improved.

**Mr. Phelps:** I think I will just put the Minister of Justice on notice that I will be following up on that when we get to his department.

<sup>52</sup> **Mrs. Firth:** Before the Leader of the Official Opposition moves off the paper the Government Leader tabled I wanted to ask a couple questions. It is along the same lines as the Leader of the Opposition asked but with regard to the Job Retention Program for Small Business. I understood from the education debate we just completed that that program is no longer in existence. Is this an evaluation of the past program?

**Hon. Mr. Penikett:** No. Actually the decision was made to evaluate this program before the decision was made to axe it, so what this letter does is report the decisions made in terms of the programs to be evaluated, but I guess the department got to it before the evaluators.

**Mrs. Firth:** Are we not going to get any performance indicators about the program or anything like that?

**Hon. Mr. Penikett:** It is not being funded. Let me try to explain this so Members do not think I am deliberately trying to confuse them. What this letter does is represent the decisions made by Management Board with respect to the Program Evaluation Committee, the reports from that committee to Management Board,

and so forth. The point the Member has just raised about this program being ended, I only heard about it at the same time she did today.

**Mrs. Firth:** I also have a concern about the terms of reference of the committee; first, where the committee must meet twice a year. I am assuming that is the barest minimum they are going to meet. Could the Government Leader give us some idea about how often they will be meeting?

**Hon. Mr. Penikett:** At the present moment they are meeting about every week.

**Chairman:** The time now being 5:30, we will recess to 7:30 p.m.

*Recess*

**Chairman:** I will now call the Committee of the Whole to order. We will continue with general debate, Finance.

#### Motion to extend sitting hours

**Hon. Mr. Penikett:** I move that Committee of the Whole in the Assembly be empowered to continue to sit beyond 9:30 p.m. until 11:30 p.m. this evening for the purpose of continuing committee consideration of Bill No. 5, *Second Appropriation Act, 1986-87*.

**Chairman:** Is there any debate on the motion?

**Mr. Lang:** I am in a difficult position here. I did not hear the news this evening, but my colleagues have told me that it came across the air that there had been an agreement between the House Leaders to wrap up business by Thursday evening if necessary.

It puts us in a difficult position. We had an agreement to sit the extra two hours at the request of the government on Monday evening, which we did. We found out later that *Hansard* was not going to be available. That was fine. We resolved that problem.

Now I am told, via the media, that we were going to wrap up everything Thursday evening. I am at a loss because my commitments were made very clear to my colleagues. It puts me in a questionable position with them when I have said I have made an arrangement, at the request of the government, not to discuss motions this afternoon.

Perhaps there could be some clarification. I am trying to do my job as a House Leader, and the rules seem to change for some reason. I do not know why.

**Hon. Mr. Porter:** To clarify the record, it was never stated by me that there was an agreement to conclude the sitting of this session on Thursday or on any other day. There is nothing we can do about speculation that goes on in the media.

<sup>53</sup> What had been agreed was to offer two extra hours on two sitting days and, in a spirit of cooperation, the side opposite had agreed to stand motions today. The agreement was premised on the objective of expediting the business of the House. There has been no agreement to end the sitting on Thursday, nor have I, or any Members of our Caucus, stated that as a fact. That is the situation we are in. We are adding additional hours to try to move business along, and I guess we will finish when we conclude.

**Mr. Nordling:** Maybe the House Leader can clarify how the media got mixed up. It was stated very clearly on the news that this House would be sitting until 11:30 on Thursday night. I do not recall discussing that.

**Hon. Mr. Porter:** With respect to sitting Thursday night, we will deal with that when Thursday comes. If it is felt by all parties in the House that if we consider sitting Thursday then it is a decision for us to make at that time. As far as the agreement is concerned, it is specifically Monday and Wednesday, traditional hours each evening.

**Mr. Lang:** There is a lot of confusion here. I want to make it clear that this side never made any commitments to sit on Thursday evening. The commitment was very clear for Monday and Wednesday, and I can hear Members opposite saying they had made no commitment to sit on Thursday evening. Just to make it clear for the record, as there seems to be a lot of confusion, I am saying we are trying to go about our business in the manner that the government asked us to. We take it then there has been a misunderstanding in the media and, if that is the case, we will continue. It must be a misunderstanding.

**Mrs. Firth:** I would like a commitment from the House Leader that since he is the one implicated by the media as having had the interview and making the comments that there was an arrangement made to the extend the hours tonight and tomorrow night, that he give us a commitment that he will first thing in the morning contact the media and have it clarified. That message was given to all people who listen to the radio and I have a concern about the misinformation that is going out to the public.

**Hon. Mr. Porter:** We can stand here and discuss this issue all night, but the eventual decisions that affect the business of the House are made in these Chambers. As to what the media does, we cannot exercise any control over that. There was no interview given by myself with respect to discussions that occurred. Everyone knows that the agreement is to sit the two nights, as I articulate again, Monday and Wednesday nights — two hours each night.

With respect to extra hours on Thursday, there has been no decision on that. If we were to make a decision on that, we would have to address that tomorrow. I do not know what the great debate is about. The House Leader opposite and myself have made agreement to extend the sitting hours for two hours Monday and Wednesday nights. With respect to any other issues, for the most part, that is pure speculation.

**Mr. McLachlan:** Just for the record, we, in this party, have had more than our share of problems with the CBC interpretations of what has and has not been said, and has been done and has not been done, in the last five days. I respectfully submit, for the consideration of the House, that the error probably lies with the media's interpretation and reporting of what was said, not what was supposedly agreed to.

**Mr. Lang:** As the House Leader and the individual on this side of the floor who carries the brunt of whatever negotiations are concluded, I did take the opportunity of phoning the media when I had been told earlier this evening that this had taken place. There is some misinterpretation there, as well.

We rather feel like we are being played like a bunch of puppets on a string, when we get comments like this in the media; when we, in good faith, have said, "Look, we have made two arrangements. We are going to do what we can to expedite the business." Then my colleagues heard across the air that everything is going to be wrapped up late Thursday evening.

I think we have made our position clear. We will carry out our commitments, but under the clear understanding hereafter that, if there is going to be any discussion with the media with respect to what we are doing, we should have a joint statement from the House Leaders and keep it at that; then there is no misinterpretation.

*Motion agreed to*

**Chairman:** We will continue with general debate on Finance.

**Hon. Mr. Penikett:** I am at the mercy of the House. If Members wish to continue general debate, that is fine. I would be pleased to deal with the department line-by-line.

**Mr. Lang:** I am sure the Member would not want to move too quickly. We ended off with the Program Evaluation Committee that the Member for Riverdale South had asked a number of questions about.

I know that, at the beginning of the year, there was some consideration by the previous administration about looking at program evaluation, and I think that basically the objective is a valid one as long as one does not make it strictly busy work where nothing gets done.

The information that was supplied was that one program was axed, so we are told, yet it was said that it was going to be evaluated. We have the Civil Legal Aid, which is going to get "radical surgery", depending on how long the Minister of Justice is going to carry the cause on.

Are there any other programs that have been axed other than the information that was supplied to the House?

**Hon. Mr. Penikett:** No. The basis of the information provided to the House in the letter from me to the Member for Porter Creek East is a combination of the decisions of Management Board with respect to program evaluation.

The Management Board, when it established the workplan on the projects for the immediate future, set these out as ones that the Management Board collectively decided needed evaluation.

Independently of that, Ministers and running line departments may make other decisions such as not continuing the funding of a program, or reviewing, amending or changing a program. That is within their powers.

I would also like to explain something to the Leader of the Opposition that that could affect the way the evaluation is done. It is quite possible, in the course of the year, that we might have to amend the program evaluation workplan for the year. This is basically what was established by Management Board. This is the workplan for this fiscal year.

As I said, I could not honestly say if an evaluation of the Job Retention Program will be done if it is not even funded anymore. I do not think it would be terribly useful, unless we needed some historical data about it. I do, however, think the program criteria developed in Legal Aid will be of continuing usefulness, because I do think there will continue to be a Legal Aid program, whether it is run exactly the way it is now or whether it is not.

As I mentioned before, Legal Aid will continue to pay lawyers, and there will continue to be people who need Legal Aid. There has been some question raised in the House about the value for money, the economy, the effectiveness or efficiency of the program; all those things are normally the subject of program evaluation and the development of program evaluation criteria.

**Mr. Lang:** I am concerned about process. Would Management Board or Cabinet make the decision to delete the Job Retention Program for Small Business, as opposed to a single Minister?

**Hon. Mr. Penikett:** In the sense that managed budgets are all approved by Cabinet, but the essential decision about whether you were going to ask the House to approve money for a particular program would be a Ministerial proposal. Management Board has not received a report from the Program Evaluation Committee. As to whether we would be doing anything in terms of the Job Retention Program, if there was any discussion about the future of this program at any stage, Cabinet or Management Board, I do not recall, but I could probably not discuss it if I did, but I do not.

**Mr. Lang:** I am not asking verbatim what took place in either the Cabinet room or in Management Board. My concern is process. The Minister stated earlier that he was not aware this program was not proceeding until the Minister of Education stood up and informed the House it was not proceeding. Is the method of governing such that Ministers now have that authority without going to Management Board or Cabinet? Is that what happened in this particular case? Did the Minister just make this arbitrary decision?

**Hon. Mr. Penikett:** I do not know whether it was arbitrary or not, but, as a Minister, I make decisions every day; I make decisions about whether I am going to ask my colleagues for money for a particular program; I make decisions about whether I am going to recommend more or less money. Those decisions become part of the collective responsibility at the point when we decide upon budgets and present them to the House.

**Mr. Lang:** We are playing with semantics, the Minister obviously does not want to answer my questions. This committee was struck June 25, 1985. How many programs were evaluated up until April 1 of 1986-87, and which ones were they?

**Hon. Mr. Penikett:** The evaluation has been completed on no programs as of April 1. The committee was struck, and then, very shortly thereafter, it lost two of its members. We spent some time developing the guidelines and criteria in the committee. The committee members then spent some time looking at the way in which program evaluation was conducted in a number of other jurisdictions. That process reached a high point when the person who was responsible for program evaluation in the Province of Saskatchewan was brought to the territory. Saskatchewan's experience was deemed to be the most relevant for us. That program evaluation system, by all accounts, works very well, is quite successful, and has produced significant savings to that treasury.

*as I do not want to be locked into dates, because I cannot, from my memory, state the exact day following which we decided both*

criteria by which we were deciding the final composition of the committee, or the revised composition of the committee. We also decided on the workplan, which has been described here today, and decided on the allocation of central responsibility.

**Mr. Lang:** So, nothing was done, other than forming the committee, until this particular plan was presented, I take it?

**Hon. Mr. Penikett:** Apart from the workplan, the schedule, the decision about how it was going to proceed, how it was going to be structured, the examination of how other people did it, that is correct. The actual program evaluation is starting in this fiscal year.

**Mr. Lang:** With respect to the concept of the committee for civil legal aid, would that particular committee, in its review, look at the terms and conditions of the eligibility of civil legal aid and have a mandate to report back to the Management Board?

**Hon. Mr. Penikett:** We are not just talking about civil legal aid, we are talking about legal aid, generally. My understanding is they are not going to deal with the policy questions, as such. They will look at the stated goals and objectives of the program. They will decide on what basis it is of value, and what kind of valuability does it lend itself to. They would look at such things as caseloads, billings, and so forth.

There is the problem, which we have previously addressed in the House, of financial control. That is a question that program evaluation would look into. I do not know this, because I do not know how the committee will proceed in this, but they might well look at how this is done in other jurisdictions and how the other provinces that manage programs similar to this evaluate the effectiveness of it. They would look at the performance indicators. I talked about the number of the caseloads and the billings, and so forth, but we have to talk about whether we are getting value for money there, and whether we should have some kind of controls such as has been the subject of discussions before in the House.

The policy consequences that will flow from this would be entirely for the Department of Justice to implement. The approach that we are taking, which is one that is based on the Saskatchewan model, rather than the federal model, which is one that involves a maximum of cooperation with the department, is that departmental officials are involved in the evaluation, and that the final report of the program evaluation committee; the Deputy Minister of the department joins in the report-writing process, so that there are no surprises. It is not some kind of punitive audit function, but it is an attempt to get positive, corrective action in the same kind of tradition as the Public Accounts Committee seeks.

**Mr. Lang:** In view of the fact that it is not dealing with policy issues, whether they are right or wrong, but dealing with the variables involved and the methods of procedure and the methods of collecting, as you have indicated, could that information be made available to the House? In turn, I would hope it would be sent to the Public Accounts Committee to help them do their jobs in checking the financial methods and procedures of the government.

**Hon. Mr. Penikett:** I have not had the occasion to think through how this Committee's work and reports might relate to public accounts. I would like to, perhaps, take that as notice. I have some problems, as the Member may understand, in that there may be some parts of reports that deal with personnel matters, which ought, properly, not become public. The Program Evaluation Committee is a subcommittee of Management Board, so I do not know whether there is any kind of privileged reporting or privileged access there.

I do not think that I have any problem, generally. I do not know whether the report specifically should be made public as they come from Management Board, or some reporting to a body, like the Public Accounts, might be appropriate. I have not thought through that, but I would like to look at it because I think it could be constructive.

**Mrs. Firth:** When would they anticipate starting the performance indicators and the assessment of their applicability to the programs under review?

**Hon. Mr. Penikett:** They are doing that right now.

**Mrs. Firth:** In the workplan, has the committee determined how they are going to do performance indicators, and are they in the process of doing it for all these areas that are to be evaluated?

**Hon. Mr. Penikett:** Yes. The performance indicators, though, will depend on the program that is being looked at. It is not a perfectly easy matter to have government-wide performance indicators. You can look at broad criteria about some crude productivity measures — the salary dollars, the number of employees, and those kinds of things — but I think you would have a great deal of trouble, as, for example, in marketing in the Department of Tourism and the evaluation of Legal Aid, you would end up with two very different performance indicators.

The point about the process is that once the program evaluation is done, recommendations are made and changes may come from them, but the performance indicators that the Program Evaluation Committee has helped the department develop go on; they endure, they continue, and they become permanently useful, then, for the department.

**Mrs. Firth:** Regarding the performance indicators and how the different departments interpret them, we found on the Public Accounts Committee that different departments had different ideas about exactly what performance indicators are. What is the committee doing to communicate to the departments what they expect in the area of performance indicators so that the department can provide them with the proper information so the evaluation can be done?

**Hon. Mr. Penikett:** They will be trying to develop some standards about indicators that will be system-wide. The previous point I had been trying to make was that they will be different for different kinds of programs. Let me explain that, as the letter indicates, there is a relationship with Internal Audit here and the Management Board Secretariat in terms of the structure of program evaluation. Both of those agencies are central agencies that will help, hopefully, disseminate the performance indicators as they are standardized as they evolve even to the outer reaches of the government so that they become the essential modern management tool, as they are in most other places in the western world.

**Mrs. Firth:** It may be something that the Government Leader might want to consider, but should the Public Accounts Committee ever want to call the Evaluation Committee forward as a witness, would that be considered highly irregular, or would the Government Leader be prepared to entertain something like that?

**Hon. Mr. Penikett:** In theory, when one is calling the Deputy Minister of Finance before the committee, if the committee wanted to discuss program evaluation, which would be the responsibility of the Department of Finance, or if the Deputy Minister of Finance wanted to bring the Chairman or official before the committee, it would be quite proper.

I think it would be very proper for the Public Accounts Committee to look at performance indicators system wide. The only delicacy would be if we were getting into internal matters of the Department of a personnel nature, and that kind of sensitivity. I think that has been traditionally observed by the Public Accounts Committee. Those would be the only sensitive areas that I can contemplate.

**Mrs. Firth:** That sounds quite sensible. I asked some questions about the information that may be available. I recognize that the government is using this as a workplan and an internal working committee, and, therefore, they are not going to be making publications about what the committee is discussing and finding out, and so on. Who would determine how much information would be made available? Would that be something that the Deputy Minister would make a judgement call on? Should information requests come forward?

**Hon. Mr. Penikett:** I think there are several windows in information of this kind. The committee is a sub-committee of Management Board, and Management Board may pass some things on to Cabinet. There may be some conclusions of program evaluation that are being implemented in the departments, and, therefore, logically, the Minister would be the person who would communicate that to the House in good time.

With respect to the particulars of some evaluation, I expect that that would become evident when officials appeared before the Public Accounts Committee to explain why they have done such or such a thing or not, or why they are using one kind of indicator as

opposed to another, or that one indicator is critical and another is not.

As Minister of Finance, I would expect, as part of the coming budget debate, some discussions, since there is expenditure in this vote, about what has been done. I frankly do not contemplate the Chairman of the Public Accounts Committee holding press conferences. It is possible, however, that some kind of report on performance indicators might come to Management Board at some point and might go to Cabinet at some point.

Upon examination, it might be made public. I do not know in which form those reports will come. I cannot speak with certainty about how that will happen.

**Mrs. Firth:** I recognize how the Evaluation Committee is going to work. Should the committee find that a particular program has outlived its purpose or is not being managed in the best fiscal way, or if there is some way that it could be managed more cost effectively, or if there are some questions about it, what is the process? Does the committee make a report on the program and someone make the final decision? I would like to know how that is going to work.

**Hon. Mr. Penikett:** It is a sub-committee of Management Board and will report to Management Board. As I indicated earlier, when it is writing a report on a program in a department, the Deputy Minister of that department will sit with that committee and discuss the content of the report.

The likelihood of something happening, such as the Minister suggests, where a program was decided to be dead useless, that it should be totally cut, based on experience elsewhere, is fairly uncommon. The experience in many other jurisdictions is such that it has been demonstrated that the maximum, optimum effectiveness of the committee is achieved where departments cooperate and are not defensive about evaluations or perceive them as threatening. The experience in Saskatchewan has been that by having a cooperative approach and by — this is a key factor — reserving, as they do in Saskatchewan, the savings identified by the program evaluation for the department.

Let us say that if the program evaluation identifies a better, more systematic, effective way of doing things or does find some parts of a program to be redundant or no longer useful, the savings identified by that are, in the Saskatchewan model, kept in the department to be utilized for new program initiatives or for other areas of priority.

We have made no such decision here. I think we will pool any such savings we achieve for allocation in the proper way by Management Board, but that is how they achieved that kind of cooperation in Saskatchewan. Because we do not have the evaluations, we do not know for certain that we will find areas where we will achieve savings.

I think it is more likely that the evaluations will suggest improvements of a much more modest kind, which will achieve small savings in many places. I think it is less likely that we will find a program evaluation come along and identify program *x* as being totally useless and should be written off or closed down right now. That kind of radical conclusion would surprise me, because it would suggest that all the Ministers, Deputy Ministers, Management Boards and all the people previously associated, directors and so forth, would not have previously identified that it had some serious problems, and I think in a government this small it is unlikely. Most of the areas that will be suggested for evaluation are areas where there are some questions or concerns.

**Mr. Phelps:** I would like to move on to another area having to do with payment of accounts by the government. Firstly we have an obvious problem at the end of the fiscal year that is reflected in some of the payments made to the Members, even. It is quite a jam up. Are any steps being taken to correct this problem or is it a problem that is too expensive to correct?

**Hon. Mr. Penikett:** As I understand it, the problem we had at this particular year-end was not because of year-end but because we had a computer down. I do not know; I was not told that that was a function just of a lot of year-end work. It just happened to choose a bad time to have a problem. I think we have some fall back facility with respect to issuing cheques like payroll cheques and so forth,

but it is a manual or semi-manual system and much slower than our normal computer operation.

**Mr. Phelps:** The Yukon Housing Corporation used to make its own payments of accounts. Does it still do that? Does it make separate payments from a separate account?

**Hon. Mr. Penikett:** No, it does not anymore.

**Mr. Phelps:** Is that the same with respect to the Workers' Compensation?

**Hon. Mr. Penikett:** Workers' Compensation still issues their own payments.

**Mr. Phelps:** The other one is the Liquor Corporation.

**Hon. Mr. Penikett:** They issue their own. I should explain, without straying into another area. The Housing Corporation, following the changes that were made a couple of years ago, had some financial problems that were commented on two years in a row by the Auditor General. They installed a computer system of their own that did not work quite the way it was supposed to, and had a number of problems like that that are now being solved.

**Mr. Phelps:** The first point of interest that arises is that there is a commitment by the government to make interest payments on overdue accounts. Does that commitment apply to the two corporations that pay their own accounts separately?

**Hon. Mr. Penikett:** It does not apply to the Crown corporations. It just applies to the government itself. As Minister of Finance and Government Leader, I would hope those corporations do not feel encouraged to be slow in the payment of their accounts.

**Mr. Phelps:** Is there any distinction with respect to the policy as it applies to accounts payable by this government, but on behalf of the Housing Corporation?

**Hon. Mr. Penikett:** The policy would apply to the accounts paid on behalf of the Housing Corporation by Community and Transportation Services.

**Mr. Phelps:** With respect to that policy, what was required to implement it, and has it been implemented yet?

**Hon. Mr. Penikett:** An Order-in-Council was required to implement the policy, and it went into effect April 1. It requires us now to date invoices when they come in.

**Mr. Phelps:** Would those interest payments be payable on accounts that were tendered to the government prior to April 1, or would they only accrue to April 1 and subsequently?

**Hon. Mr. Penikett:** No. It went into effect April 1, and it was only on the accounts we received after April 1.

**Mr. Phelps:** That means that no interest has been paid on any overdue accounts?

**Hon. Mr. Penikett:** A slight correction: any accounts that became overdue after April 1, we began paying on them. If we received an account March 1, and it had not been paid come April 1, and was paid some days later, then we would begin paying interest after April 1 on that late account.

**Mr. Phelps:** Was there any expense attached to instituting the new policy of the government to make the interest calculations, and so on?

**Hon. Mr. Penikett:** None other than the actual payment of the interest itself. Maybe I should just elaborate a little bit. I believe, notwithstanding some problems we have with the computer — which is an exception, that the problem has not been in the Department of Finance. The cases that I have looked at, where I have had complaints from citizens, have been, in the main, invoices received or believed to have been received by client departments. It has been the processing, or the traffic, from the departments to Finance that has been the problem, not within the Department of Finance.

**Mr. Phelps:** Is the government taking any steps to notify the target line departments as to liabilities accruing because of their slow handling of these invoices?

**Hon. Mr. Penikett:** Yes. They have all been informed. The government's view that it does not wish this to happen has been communicated.

It is not always a cut and dry or a black and white situation. Sometimes there are inexcusable problems in the mail, especially if people are billing from rural areas. There were also occasional problems where an invoice was presented to an official of the

department, but the official was one of very low grade and did not know what to do with the paper and did not forward it to the administrator who would have processed it quite quickly.

That is not to say that the government was not at fault in a case like that, but the person responsible did behave irresponsibly. It was a junior person and had nothing to do with the accounts. The papers were not moved as quickly as they should have been. It was a problem that time and a little education will solve. Most people know enough to transmit their invoices to the right people.

In one case, an invoice was delivered by hand, but it was delivered to the wrong people. That caused the delay.

**Mr. Phelps:** My point was that if there was some way of attributing a cost to departments because of the interest payments required on their accounts and that information is made public once a year, it might smarten them up.

**Hon. Mr. Penikett:** If we establish that we pay interest in the Department of Finance because of tardiness in a department, that department will be charged against their appropriation for that.

**Mr. Phelps:** That is good. I am pleased to hear that.

As I recall, last year at this time there was some concern over Yukon Housing's purchasing some fancy computer that seemed to take them off in a different direction from the rest of the government. Are they still making use of that computer? Have their records been reconciled with the rest of the government?

**Hon. Mr. Penikett:** It is physically present, but I am not sure if it is being used very much. We are taking a much more direct responsibility for the financial operations of Yukon Housing Corporation. As the Minister completes his review and examination of where we are going to go and finally change the direction of that. I can assure the House that there will be more complete and direct financial accountability to this government.

**Mr. Phelps:** My curiosity was just with regard to whether or not the computer was going to be continued to be used, or when the government was going to make a decision on that issue.

**Hon. Mr. McDonald:** We have a fairly tight workplan over the fiscal year. We realize that it will require some time for the Corporation to reconcile its various functions. We are hoping that we can have the relationship among the government, the Corporation and the various departments reconciled during the year.

**Mr. Phelps:** Is that the timeframe for determining whether or not the other computer would be kept or disposed of?

**Hon. Mr. McDonald:** Yes, I believe so.

**Mr. McLachlan:** I have some questions on land sales in Faro. In the original 1968-69 development, when Cyprus Anvil was putting in the lots, those community lots not related to the original townsite development for the mining company were sold by the government to private entrepreneurs and that whole transaction was handled by the Department of Finance. Is that still the case for the handling of land sales in Faro?

**Hon. Mr. Penikett:** It may have been Finance then, but it is Lands Branch now.

**Mr. McLachlan:** Is the government still chasing down land sales that may have become delinquent during the past three or four bad years in Faro. I ask the question because I see no entry for allowance for bad debts when we get to the line-by-line.

**Hon. Mr. Penikett:** In a general manner, the allowance for bad debts is built into the department estimates, but, with respect to the particular lands the Member is talking about, it may be a more appropriate question to Community and Transportation Services.

**Mr. Lang:** On the allowance for bad debts, could he explain to the House what he means by it being built into the budget? Just how much money are we talking about?

**Hon. Mr. Penikett:** There is a calculation made each year based on the receivables from the private sector, and a certain percentage is calculated as an allowance for bad debts and the amount is then discounted or drawn down by the amount we anticipate will be bad debts.

**Mr. Lang:** What is that estimate, in ballpark terms?

**Hon. Mr. Penikett:** On page 116, you will see the line allowance for bad debts. At year end, there is a calculation done of what the department believes will be bad debts for that year. You will see in this estimate that there is a figure for 1984-85. It may be

the department is in a position now it is close to, or has, a figure for 1985-86. Of course, that figure would not have been available by the time this budget was prepared.

It had to be covered, of course, in the previous year and would have been covered in the contingency amount that would have been voted if it was necessary.

**Mr. Lang:** Once again, we get into budgeting and what were locked into under the *Financial Administration Act* where contingency covers a number of oversights or in some cases, sins, depending on the issue and what we are dealing with as far as the financing is concerned. My concern, talking about receivables and bad debts is: does the government budget a certain amount, and if they do I would like to know how much, for the purposes of going to court, or, if Dan Lang decides not to pay, do you just write it off?

**Hon. Mr. Penikett:** We do not budget an amount for that but in talking about the money flowing through the department there may be some experience the department has over a number of years about how many bad debts there are. I assume that must vary somewhat with the condition of the economy.

**Mr. Lang:** Regardless of the number of bad debts, does the department budget an amount of money to pursue, through either small claims court or some other mechanism?

**Hon. Mr. Penikett:** If we have to go to court to collect the money — let us say it is money owing to Community and Transportation Services — the cost of going to court to collect that debt will be borne by Community and Transportation Services.

**Mr. Lang:** I would like to move over to another area in a general sense. I understand there has been some discussion within the confines of the Minister's political party with respect to the philosophy of the Home Owner Grant, and whether or not his party is prepared, over the course of his term of office, to support the principle of the Home Owner Grant being made available in the universal sense of the word, the way it is presently.

I would like to hear what the position of the government is about that particular grant to the taxpayer here in Yukon?

**Hon. Mr. Penikett:** Maybe the Member had access to a meeting that I did not attend, but I have not been at a meeting at which the Home Owner Grant was discussed.

I have no plans this year, or in the immediate future, to do anything about it. In the past I have expressed some philosophical interest in the desire to see the tax system simplified. I do believe there are a lot of transfers that go between different levels of government, between citizens and government, that are not administratively as simple as they might be. As the saying goes, the Lord giveth and the Lord taketh away. We do have money coming from citizens, in the form of school taxes, and we have money going back from the government in the form of Home Owner Grants.

As a purely theoretical proposition, that there might be some offset or rationalization in order. Having looked at that as Minister of Finance in the last few months, given the complexity and the difficulty of trying to sort out some kind of rational system to substitute for the Home Owner Grants, I have decided it is not a priority. It is not something that I want to devote much energy to in the next little while.

**Mr. Lang:** I take it that the government agrees with the Home Owner Grant, and does not see any major changes. As long as that is clear, that is fine.

I would like to go on to another element of that. It is the question of the method of payment, which I think the Minister touched on. Is the government considering deducting at source, or are they going to continue with the present system of the applicant coming forward to apply for the Home Owner Grant?

**Hon. Mr. Penikett:** I am aware that there has been an Association of Yukon Communities resolution in previous years about deductibility at source. In recent months, I have not discussed that with my colleague, the Minister of Community and Transportation Services, but, now that the former Minister has suggested it again, I think it would be a good time for us to do that.

**Mr. Lang:** I am not making a suggestion. I am asking whether the government is considering it. Sometimes I have to interpret what the Minister says. I take it that the answer is no.



I would move on to the next area, and it is the question of school tax levy. The government has been in power for a year. The Government Leader spoke at great length, in various forums, about the removal of school tax as a property tax in the Yukon. I would like to understand what the policy of the government is in that particular area.

**Hon. Mr. Penikett:** The policy of the government has not changed, although the Member is well aware that I have expressed some personal views on the subject. With respect to these transfers, I think the tax system in theory could be simplified and rationalized. As I indicated a moment ago, it is not a priority. There are more urgent things on our agenda than that at the moment. It is not something that is going to happen in this fiscal year.

**Mr. Lang:** At one time, we discussed the question of outstanding school tax from the City of Dawson. Could the Minister inform the House exactly how much money was outstanding?

**Hon. Mr. Penikett:** I will check. I think it was something like \$183,000.

**Mr. Lang:** Does that include interest?

**Hon. Mr. Penikett:** If my figure is accurate — I put a caveat on that, because I am not sure it is — that would include interest and penalties.

**Mrs. Firth:** We are still on the general debate for Finance. The structure of the activity lines have been changed from last year. Last year's had five activity lines; this one has four. Does the financial operations and revenue services now include accounting taxation, money management and program analysis?

**Hon. Mr. Penikett:** It includes all of that except for program analysis.

**Mrs. Firth:** What has happened to program analysis?

**Hon. Mr. Penikett:** Management Board Secretariat.

**Mrs. Firth:** Can the Government Leader tell us about the financial operations and revenue services? Does that include accounting, taxation and money management only?

**Hon. Mr. Penikett:** Yes.

**Mrs. Firth:** What else is included under Management Board's criteria besides program analysis?

**Hon. Mr. Penikett:** Program evaluation, program analysis and the secretariat's services to Management Board.

**Mr. Phelps:** I am just trying to figure out the reasoning behind the column allowance for bad debts. There was the (\$60,000) shown for 1984-85 and nothing for last year or for this year. Why was there (\$60,000) for 1984-85? Was there a set sum written off that was recovered?

**Hon. Mr. Penikett:** The Treasurer will check the public accounts to see exactly what that was.

**Mr. Phelps:** Is it intended to carry that line ahead? Is there some kind of estimate of bad debts each year?

**Hon. Mr. Penikett:** There is not a forecast. If we have not closed the year-end for 1985-86, we will shortly. We will be able to do a calculation. Unfortunately, it will be based on actual experience for the year. It would show up in the public accounts. That is partly consistent with an effort to try to get the Estimates to relate to the public accounts, which they did not do in the past.

**Mr. Phelps:** I am just not exactly sure why that line is shown under expenditure rather than on the revenue side.

**Hon. Mr. Penikett:** It is history at this point. There was an activity in 1984-85 which was there, and we have an expenditure that shows up in the Public Accounts for that. I guess the Member is asking, given the way we do it, why we have the line. I guess that is a really good question for next year's budget and I will ask it.

**Mr. Phelps:** I do not have anything left on general. Perhaps we could move to the line items.

#### On Treasury

**Hon. Mr. Penikett:** The program objectives of the Treasury are: one, to manage, administer and control the Yukon Consolidated Revenue Fund, including the design, implementation and maintenance of financial information systems, the provision of accounting and payroll services and the preparation of public accounts; two, to develop and administer the taxation policies and programs of the government to collect taxes and other revenues and

manage the investment of public money; three, to negotiate and coordinate the implementation of financial arrangements with the federal government and other jurisdictions, including special financial arrangements with the private sector; four, to manage the budgeting and financial planning systems of the government including supervision of cash-flow requirements and variance reporting; five, to analyze proposals to Management Board for the application of manpower, financial resources, the improvement of management practices and the evaluation of programs for efficiency and effectiveness.

**Mr. Phelps:** Under Other, it has gone from \$170,000 in 1984-85 to \$305,000. Could you explain that?

**Hon. Mr. Penikett:** The major change there is the increase in professional services. The biggest single change is the increase for Program Evaluation Studies, an increase of \$40,000, from \$30,000 to \$70,000. There is a fiscal capacity study, which is a new expenditure, of \$37,000. The Banking Agency Study is \$20,000, which I previously talked about. There is an anticipated additional training cost of \$2,000.

**Mr. Phelps:** I have a more general question about the budget system we have and the *Financial Administration Act* we have right now. As I understand it, under the present system, program money can be transferred back and forth by the managers without Management Board approval; in other words, from Other to Personnel and back and forth without Management Board? Is that right?

**Hon. Mr. Penikett:** Not transfer payments.

**Mr. Phelps:** To move it from one program to a department within a vote to another, all that is required, under the present system, is Management Board approval?

**Hon. Mr. Penikett:** That is correct.

**Mr. Phelps:** Does the Government Leader feel that the system, being fairly loose and giving rise to some heavy questioning back in the Supps with respect to 501 Taylor, is tight enough or needs to be tightened up, given his year's experience as the Minister of Finance?

**Hon. Mr. Penikett:** I hope the former Government Leader will understand that there is some sense of constant tension between the central agencies who want to exercise control on behalf of the corporate whole and those departments that believe they, in order to respond to public wishes and the evolving political priorities of Ministers, may want to have flexibility within their total votes.

This has led to a number of problems with respect to what Management Board and why the *Public Service Commission Act* has developed this quite tight person-year control, which was totally subverted by the use of casuals and contract employees. We are trying to do something about that, but it is not easy. There are some cases where you have contractors who have been doing the work of employees, something that was probably illegal under the *Public Service Commission Act*, but was widespread nonetheless.

The ability to move money between allocations is there, according to the description of the Member opposite. There has been some tendency for us to move on a couple of things to control to a higher level, in other words, to take it out of individual Ministers or individual Deputy Ministers and move it up to Management Board and move some decisions up to Cabinet.

I am sure the former government will understand the limit to this, when there are all sorts of decisions getting kicked upstairs. That can clutter Cabinet and Management Board agendas. Because of the financial management and information systems, there are some control measures that are now going to be available to us in time, such as the central commitment control and others that I think will improve things. With the standardized code of accounts, which will come to the financial management information systems, it will now be possible, for example, for me, as the Minister of Finance, to look at what every department is spending on entertainment. It will be standard coding. It will not be able to be charged to professional and special services or, as I discovered in one case, office equipment.

It will be under that standard code, and we will be able to look at the global budgets and see what percentage of the budget a department is spending on entertainment — I am just using

entertainment as an example — and is that appropriate given the activity of the department. Tourism, I think, would appropriately spend more money on entertainment than Justice or Finance, which are notorious for their frugality in that respect.

When Management Board is evaluating budgets, they will also be able to look at the actual expenditure experience by a standardized code of accounts. The number of categories and the number of lines have been considerably reduced, which will allow us to compare, not apples and oranges but apples and apples. That is an improvement in control that is available to the Management Board.

<sup>17</sup> If I may introduce another complexity into the question, for many years there has been quite a proper demand from the Legislature to have more narrative information in the Estimates book. If you keep the narrative information complex, and we just went through the Department of Education and there is a lot of statistical information there, but the lines are fairly general, that does facilitate, the theory is, a lot of good policy debate. It does not invite a lot of discussion about whether there are enough pencils in the school or that kind of administrative matter, which constitutional theorists say is not really proper business for a legislature in any case, but Members may want to have information about those things, and they can get it.

Of course, the more general the lines are the more flexibility there is for program managers. The problem going in the other direction, though, is if you break them out in very, very discreet lines, it may complicate the work of the Legislature unnecessarily, which is presumably in general supposed to be mainly about policy debate.

**Mr. Phelps:** I thank the Government Leader for that answer. I just make the comment, of course, that our system is a bit looser than some other jurisdictions in Canada. I agree with the comments made. I think that some of the improvements to the system are going to be welcomed by us on this side. Having had that debate, that is the only thing on general debate that I have on the program.

**Mrs. Firth:** Before we move on, I would just like to ask a couple of things. The Government Leader broke down the Other costs in the allotment, most of them for professional services. Did he mention a fiscal study for \$30,000? Could he tell us what that is?

**Hon. Mr. Penikett:** This is a study that we are doing with the Northwest Territories to prepare ourselves for negotiations with the federal government, which is going to be looking at the tax burden that falls on northerners and relating it to the cost of living in this area, which is, of course, in a number of respects, remarkably higher than southern Canada. I do not think that we have actually commissioned the study yet, but it is something that we have budgeted for. We are going to be doing it in cooperation with the Northwest Territories.

**Mrs. Firth:** What will the result be to the benefit of Yukoners?

**Hon. Mr. Penikett:** Primarily it will be negotiating data for the next round of negotiations for the federal government on fiscal matters.

**Mrs. Firth:** When does that take place? After the formula financing expires?

**Hon. Mr. Penikett:** The negotiations actually will be joined towards the end of the current formula financing agreement. It could end in 1987-88.

**Mrs. Firth:** The Minister also mentioned that the cost of evaluation studies went up from \$40,000 to \$70,000? What program evaluation studies was that?

**Hon. Mr. Penikett:** We have a Program Evaluation Committee, which is, the Member will know, largely constructed of officials from other departments who are not going to be working full time in program evaluation. I will try and simplify it a little bit. We had a choice between actually adding personnel to the Department of Finance to do this, because Finance has the responsibility, or deciding to contract with professionals for this first year until we really had a base of experience to know what kind of skills we needed and what kind of professional services we need in the department. So, rather than adding person-years to the program this year, we decided to contract for these skills, whether they are chartered accountants, management consultants, or whatever we made need — I guess those are the kind of people we are

talking about — to do some of the work this year. It is quite possible that, based on the experience in this year, there could be a person-year increase in next year's budget requested.

<sup>18</sup> **Mrs. Firth:** The final study mentioned was the Banking Agency Study for \$20,000. Was there one done a few years ago? Is this a new one we are talking about?

**Hon. Mr. Penikett:** There was not one done on the kind of agency system we are looking at. In the Ministerial Statement, I mentioned three points of the banking services tender that we are putting out: the access to capital study.

The second point was the possibility of developing an agency system such as the one that operates in Alberta. Where we cannot get a bank to provide services, we could provide some sort of agency system. This consultant study is to take an early look at whether or not it is feasible, practical, whether or not we can do it or if it makes sense.

The kind of situation that we have in Faro or Mayo, for example, where we are using a liquor store as a bank is not an acceptable situation in the long run.

**Mrs. Firth:** I know the Member for Porter Creek West has been asking the Minister some questions about the banking services and how they are proceeding. I believe the Minister's last comments were something to the effect that he had not tendered it out yet. Is that correct?

**Hon. Mr. Penikett:** I believe the tender will appear in the newspapers next week.

**Mrs. Firth:** In the meantime, has the Minister had any discussions with any of the local bankers regarding the matter? Has he heard anything from them? I have had some comments, and I wondered what kinds of things the Government Leader was hearing.

**Hon. Mr. Penikett:** I have met with the existing banker, the manager of the local bank that serves us now. I also had conversations with the vice-chairmen of four or five Canadian banks in Alberta some months ago about the situation in the Yukon Territory, about bank closures, particularly in Faro and Elsa.

It is a situation about which I expressed a strong negative opinion, given the multi-million dollar payrolls in those communities and the situation in Faro where the reopening of the mine is of considerable interest and benefit to the bank. We have not, to this point, been able to persuade them to reopen their branches in either case; the Royal Bank in the case of Elsa and the Toronto Dominion Bank in the case of Faro.

There have been enquiries and communication with some other banks through the Department of Finance about what we are contemplating here. That includes the Bank of British Columbia.

**Mrs. Firth:** I imagine, from that response, that the Government Leader is not anticipating having any difficulties with the tender and with a positive outcome?

**Hon. Mr. Penikett:** I hope we have a positive outcome. I hope we get banking services that we are asking for in all of the communities. I will have to wait and see what the banks will want us to pay for those services.

**Mrs. Firth:** What are we prepared to pay?

**Hon. Mr. Penikett:** I think it would be very silly to put our negotiating position in *Hansard* before anyone has even tendered. It is a nice try, and I am pretty tired, but I do not think I will bite right now.

<sup>19</sup> **Mrs. Firth:** You do not get anywhere if you do not try. I listened very carefully when the Government Leader came back with his answer about the FMIS and the accounts payable system, the accounting system, the feasibility study and the Phase I, II and III that is going to go on. I calculated roughly \$739,000. Is that pretty well going to get us up to snuff on all this sophisticated computerization of the Finance department, and is there going to be some light at the end of the tunnel when it comes to spending money on this?

**Hon. Mr. Penikett:** With the expenditures the Member has outlined, that will give us everything except the accounts receivable system, which I guess is further down the road. Incidentally, it is a relatively small expenditure.

**Mrs. Firth:** Will that finish it then? We will be probably be looking at \$800,000, or almost \$1 million.



**Hon. Mr. Penikett:** It should. Forgive me a facetious note, that is unless, of course, there is new technologies and new systems that the CAs and auditors develop and recommend to us, but it finishes it as far as I am concerned.

**Mr. McLachlan:** Can the Minister indicate why the Management Board Secretariat has gone up from the 1984-85 actual to the 1985-86 forecast by approximately \$50,000 and then doubled again from \$145,000 to \$245,000 in the subsequent year?

**Hon. Mr. Penikett:** This Management Board Secretariat is even now very small, given the volume of work it does. The original amount was quite small. At the time the *Financial Administration Act* was first passed and the Secretariat was first created, the Management Board was a new institution under the former administration that was a consequence of the *Financial Administration Act*. At this point it still only has two person-years attached to it. They are both skilled professionals, but the additional money we talked about this year is largely in the program evaluation area, and I believe I have already explained that.

**Mrs. Firth:** Can the Government Leader tell us how many person-years are in Administration?

**Hon. Mr. Penikett:** We have the Deputy Minister, secretary and an administration officer under the Administration line in this vote.

*Administration in the amount of \$210,000 agreed to  
On Financial Operations and Revenue Services*

**Mrs. Firth:** Could we have the person-year breakdown for this as well? I would like to have it in the accounting, taxation and money management if I could, please.

**Hon. Mr. Penikett:** It might be simpler if I tabled this information. Let me read it out and if the Members want it tabled I will.

Financial Operations and Revenue Services. We have an Assistant Deputy Minister and a secretary. In Financial Systems we have a director, systems analyst and data control clerk. In accounting services we have a director and accounting clerk. In Accounts Receivable we have a supervisor, receivables clerk and a banking clerk.

<sup>20</sup> At the Cash Desk, we have a head cashier and a cashier. In Payroll, we have a supervisor, senior payroll clerk, four payroll clerks and a clerk. In Revenue Services we have a director, taxation administrator, fuel-tobacco tax technician, a property tax clerk. In Investment and Debt Services we have a director. In Budgets and Fiscal Relations we have an Assistant Deputy Minister, a secretary, a budgets director, two budget analysts. In Fiscal Relations we have a director, an analyst and a senior fiscal advisor. In the Management Board Secretariat, we have a director, analyst and a secretary.

**Mrs. Firth:** The Government Leader does not have the numbers of the person-years there, without having to add them all up?

**Hon. Mr. Penikett:** It is 46 in total for the whole department.

**Mrs. Firth:** He has given me three for administration of all those that he listed off. Does he just have a number there? If not, I will get them from the *Hansard* and add them up.

**Hon. Mr. Penikett:** I understand our Treasurer is good at arithmetic. I will get him to add them up, if he does not have them elsewhere, while we are asking other questions.

*On Budget and Fiscal Relations*

*Budget and Fiscal Relations in the amount of \$497,000 agreed to  
On Management Board Secretariat*

**Mrs. Firth:** How many person-years here?

**Hon. Mr. Penikett:** A director, analyst and secretary.

*Management Board Secretariat in the amount of \$245,000 agreed to*

*Treasury in the amount of \$2,213,000 agreed to  
On Grants*

**Hon. Mr. Penikett:** We are talking about Home Owner Grants here. The purpose of the program is to offset the high cost of living in the north, promote home ownership in the Yukon and to encourage the timely payment of property taxes. The total person-year allocation is 12 weeks casual. The Personnel dollars are zero. The Other is \$873.

**Mrs. Firth:** That is quite a substantial increase. Have we actually had that large an increase in the numbers of Home Owner

Grants, and the money that was paid out?

**Hon. Mr. Penikett:** We have an increase of approximately \$30,000, which is calculated on the basis of a volume increase due to Cyprus Anvil opening, of 100 units. It may be high, but that is the approximation at the time the budget was put together, along with a general increase of \$3,000.

**Mr. Brewster:** One thing that has bothered me and has bothered a lot of people in the Yukon is that these taxes are collected, yet we are supposed to have a percentage of this back to the people who own homes. Sometimes we wait four to five months. I have often wondered why this government cannot do like BC, where you are allowed to deduct this before you send your money in.

**Hon. Mr. Penikett:** That question was asked earlier by the Member for Porter Creek East. It is something that has been proposed by the Association of Yukon Communities. I believe the former government did not wish to do it that way because there was some satisfaction or some benefit to the government about handing out cheques to people.

As I indicated to the Member for Porter Creek East, I will discuss this proposal with my colleague, the Minister of Community and Transportation Services. I will take a serious look at the possibility.

<sup>21</sup> **Mr. Brewster:** I understand why the government does this and why any government would do it. The interest on that money over four months would amount to quite a lot of money.

**Hon. Mr. Penikett:** Let me just share some of my philosophical concern that I have about the whole system that this government and other governments run under. We really have it both ways as a territorial government — not many provincial governments do. We make the municipalities collect some school taxes for us, and they get the blame for doing it. Then we take some of that money we collect from the citizens, the property owners, and then we give it back to them in the form of Home Owner Grants and then we get the credit for giving the money back, whereas the municipality gets the blame. I understand all the reasons for doing that. I think, at least in an ideal world, there is room for improvement in that system.

**Mr. McLachlan:** Why is the figure for Cyprus Anvil only calculated at 100 units?

**Hon. Mr. Penikett:** Well, I guess that is all we had expected to have occupied in the 184 days you would have to occupy in order to qualify.

**Mr. McLachlan:** Philosophically then it is the intention of the government to pay the Home Owner Grants to the real estate company. Am I right?

**Hon. Mr. Penikett:** My belief would be that if someone was in the rental-purchase situation in Faro, and they had paid the taxes, they would be eligible to apply for the Home Owner Grant.

**Mr. McLachlan:** That is fine. I just wanted to get it on the record. Because of that little technicality there, where CMHC refused to come in and therefore the deal cannot be consummated, the title is still held in the real estate company. What you are doing is entirely fine, just so long as we understand both sides that that is the intention of government. That will be proceeded with, and that is the only thing that is holding back ownership on those houses.

**Hon. Mr. Penikett:** If there is a legal wrinkle here, I do not understand it. I am not going to give a legal opinion. I will take that under advisement.

**Mr. Phelps:** I would like some clarification as well. I understood that the Home Owner Grant is one grant per one resident who owns the house. My understanding, if I do understand the Member for Faro, is that the real estate company could own a whole bunch of houses and enjoy the benefit. The owner of the apartment block I rent from in town does not enjoy that benefit, I am sure.

**Hon. Mr. Penikett:** No, and if the Member for Hootalinqua owned 100 houses, we would not pay him 100 Home Owner Grants, we would pay him one for the one he does live in.

**Mr. Phelps:** Before we leave this interesting topic, I would simply point out that the Home Owner Grants Policy was instituted in Legislation back in 1974 before partisan politics, when there two stated NDP in the ranks as well as other parties. I would also like to say, for the record, that I share the opinion of AYC as expressed by

the Member for Kluane. It is my opinion that deducting at source — in fact I had discussions with officials to that end although we never did come forward with that position — I am sure we would agree with that methodology being employed, deducting rather than taking the money and paying it back four or five months later.

**Hon. Mr. Penikett:** That has been a very useful discussion on this point because there was not any kind of unanimity of the House before on that question.

**Mr. Phelps:** I do not pretend to speak for the honourable Member for Porter Creek East, but it is my opinion and the opinion of the Member for Kluane.

**Mr. Lang:** There is one concern that the government should be aware of about deducting at source. It may appear to open the potential for municipalities to increase taxes in certain areas because people are getting deducted at source. That is an element that has to be considered as a possibility.

I go on the experience of the government when the recession hit. We made the conscious decision to alleviate some of the property taxes borne by the small businesses, and we reduced the school tax by a considerable amount. One municipality saw the opportunity to move in and appeared not to increase the taxes and put the tax dollars into another public treasury. I did not think that was fair in view of the intent of all Members of the House. That is just one area that has to be taken into consideration with respect to such a decision.

*Home Owner Grants in the amount of \$873,000 agreed to On Revenues and Recoveries*

**Mr. Lang:** What is the difference between the School and Property Tax. We are talking about \$3.4 million as opposed to \$3 million in 1985-86. Is that part of the recoveries because of the reserve that was held in abeyance by Dawson City? Is the other portion because of the increase in property tax estimated because of the start up of the mill in Faro?

**Hon. Mr. Penikett:** Essentially, that is correct.

I would also like to answer a question that was asked by the Member for Riverdale South a moment ago about the breakdown of the person-years. It is: Administration, 3; Financial Operations and Revenue Services, 32; Budgets is 8; Management Board Secretariat, 3; for a total of 46.

**Mrs. Firth:** Thank you.

*Finance in the amount of \$3,086,000 agreed to*

**Government Services**

**Chairman:** Government Services, General debate.

**Hon. Mr. Kimmerly:** There are two typographical errors on the information pages. On page 131, there are four columns, and one says "Change" in the third column; that should be "1984-85 Actual".

<sup>23</sup> On page 131, the last column is 1983-84 Actual.

**Chairman:** Everyone clear on that correction? The third column should read 1984-85 Actual, and the last column should read 1983-84 Actual.

**Hon. Mr. Kimmerly:** On page 136, on the last group of numbers under Record Services, it says "Correspondence Handled". There should be an extra zero; that is, 320,000.

I will anticipate the questions about the person-year increases. Members will note, on page 126, in the summary, there is an increase in the person-year complement of 19.7. Incidentally, the changes are found on page 128, 132, 134 and 138. I will explain them in a more easily understandable way.

First of all, there are 14.2 new person-years as a result of the Philipsen Building. The monetary allocation is not for a full 12 months. It is to start on July 1, which is the expected date of hiring, in general. Of the 14.2 new person-years, eight of them are custodial workers, that is, janitors; 4.2 are security guards. The reason why it is 4.2 is that for janitors and security, the staff complement will be integrated with the main administration building. We will be hiring four permanent people, and there will be the use of casuals to bring it to 4.2.

<sup>24</sup> **Hon. Mr. Kimmerly:** That is 12.2, and there are two stationary building engineers, for a total of 14.2. The stationary engineers will be integrated, again. Incidentally, we are planning an integration of

the three major complexes: Yukon College, the main Administration Building and the Philipsen Building. The building engineers will be one unit and will coordinate the staffing. There are an additional two person-years.

In addition, there is one accounting clerk under Administration who was a long-standing casual position that is converted to permanent. There is a policy and planning analyst, who was transferred from Systems and Computing Services and is now in Administration. I will explain the additions in Systems and Computing Services. There are two new positions there, and there are three new computer analysts. One of them is a reorganization. I will explain that. There is an addition of two person-years in Systems and Computing Services.

In Supply Services, there is an addition of .5 of a person-year. The job title is asset control clerk. It is the conversion of a long-standing casual to a permanent one-half person-year. The remaining one is in Public Works. It is also a conversion. It is a building maintenance person, who practically is a spray-painter, who was on staff as a casual for several years. That is simply a conversion.

<sup>25</sup> So those are the changes in the person-years. I should explain the changes in the organization under systems and computing services. There is a net increase of two person-years which I explained; however, there is a fairly substantial reorganization of job titles, and I will table a sheet that neatly summarizes it. Verbally, the changes are: under administration there was one director and two clerks. There is now one director and one manager of data processing and two clerks.

Under Processing Services, there was a total of 15 person-years; there are now only 10. There used to be a chief, two software specialists, one facilities administrator, three computer operators, two data-control clerks, five data entry operators, one schedule and planning analyst. There is now one operations manager, three computer operators, two data control clerks and four data entry operators.

Under Systems Development, there are thirteen person-years. It remains exactly the same, but the job titles are changed. There used to be one chief, one policy and planning analyst, and that is the position transferred to administration as a policy and planning, five systems analysts and six programmer analysts. There are now three project managers, four systems analysts and six programmer analysts and there used to be two contract analysts, not formal person-years.

The Information Resource Centre, with one person-year, is now called Technical Services with three person-years. It used to be one resource analyst with two contract analysts, not formal person-years. It is now one manager, one software specialist and one facilities coordinator.

Under Office Systems there were two person-years. There are now six. There used to be a senior analyst and an office support analyst. They are now one manager, two resource analysts and three product specialists.

<sup>26</sup> There is a net increase of two person-years, but considering the conversion of casuals, there are no new bodies in the department under Systems and Computing Services.

The Leader of the Official Opposition asked previously in the supplementaries about the Carcross Health Centre. This is a federal project; however, I have obtained the information anyway. The total project cost was \$804,600: the cost of land was \$20,600, the Public Works Canada fee was \$60,300, the construction cost of the facility was \$638,700, and furnishings were \$85,000. The total area of the facility is 4,500 square feet subdivided into 2,800 square feet for the centre and 1,700 for the residence planned for occupancy by two nurses.

It is interesting that the federal government has paid \$155 a square foot, and the territorial Public Works does considerably better on the Philipsen Law Centre, which is costing just under \$120 per square foot. The Yukon College is estimated at \$115 per square foot.

**Mr. Lang** asked about SAS. As he was the previous Minister, I will not explain the detail. It is computer language. Approximately 75 employees, who are currently on staff, have been trained. There

are additional employees who have learned the language themselves independently, and some who knew it before they were employed. It is impossible to estimate the number of employees using this language, but it is in excess of 75. It is used in almost all departments at the present time.

I was asked about the lease costs for the Chateau Jomini in Faro. The purchase price, as appraised, was \$639,264 for the building. It is leased at 10 percent of the purchase price, which is \$63,926, less the municipal taxes per year. The monthly payments are something just in excess of \$5,000.

<sup>27</sup> I was asked about the coordination of the hiring for Systems and Computing Services and the computer course at Yukon College. We have hired only one of the current group of graduates. Incidentally, there will be seven graduates this year, the first year of graduates. That person is a programmer analyst. However, there are others who have joined the private sector who will be employed on government work. The number is not precisely known.

I was asked about computer training programs within the government. There are, presently, 170 employees on staff now who have been trained, and who have the skills to use computers for analysis and presentation of data. In addition to that, approximately 200 employees have been trained in specific operations such as word processing. The training program has had two principal impacts. Firstly, existing government employees have become proficient in using the computers, and, secondly, the departments have been able to hire local persons who did not have the specific skills on hiring and the government has trained them.

I was asked about local hire in Systems and Computing Services. Since January, 1985, we have filled 21 vacancies, 17 of them local and four from outside Yukon. The vacancies filled within Yukon are seven by internal promotion, two by transfer from other departments, one from the Yukon College computer management course, one from Yukon College secretarial course, and six local applicants from other sources.

The department has not changed organizationally, aside from what I have explained. I believe I have explained the questions I was specifically asked.

I was put on notice about computers and privacy, or the concept of the control of computer information. I am looking forward to speaking about that in the appropriate section.

<sup>28</sup> **Mr. Lang:** I indicated to the House Leader that there might be difficulties getting a time extension, because I see most of us looking very tired and that does not do much for the debate. It shortens tempers, and at times some of us may have missed something that perhaps should have been raised. I am giving notice in regard to looking at further extensions of hours in future days, depending on the situation. Not that I am asking to revoke the motion that was put on the floor, because I thought you handled it very well.

I would like to begin by saying for the record and for the Minister that we are very concerned about the policy decision made by the government not to put all government cars in government colours. One can discuss the financial ramifications. That is not the point. The point is they do work for one organization and should be seen to be working for that organization. I want to go on record as saying this side of the floor is adamantly opposed to the decision the government has taken. We believe it to be irresponsible quite frankly. I think you are going to find that unfortunately, people being what they are, there will be abuses and the unfortunate element of that is that some politician will be able to stand up and say, "I told you so." I do not think there is any reason for it.

I appreciate the information provided by the Minister in conjunction with his staff. Obviously a lot of work was done in going through the record to see just exactly what was outstanding and provide a description and an idea of what work the government is doing in this particular area. This department is also of some concern in that it seems to be getting bigger and bigger every year, in good faith, but under the pretext that if we centralize everything it will be cheaper. I want to caution the Minister with respect to that. I think that some latitude has to be left with other departments in some areas, as opposed to everything coming in centrally to the Minister of Government Services, and then the Minister of

Renewable Resources has to be in a constant fight with the Minister of Government Services who controls all the physical infrastructure and a lot of the equipment that is necessary to do work in other departments. That is an observation and I know of what I speak from being at both ends of the situation.

One area the Minister failed to talk about to any great degree was the question of local purchase. I know the side opposite took a great deal of delight in castigating the government that, as a government, all they wanted to do was buy as far away as possible and did not want to buy locally. That, as the Minister has found out since he assumed responsibility, is not correct. The track record was about 75 or 80 percent local depending on what you were talking about. I think it is important to try to improve upon that, but it has to be improved upon with a general government-wide policy and to the extent that the taxpayer is prepared to pay. It also must take into account the will to compete in the market place itself.

<sup>29</sup> It is a very narrow line that one walks with respect to trying to ensure that the people we represent who pay the bills get a quality product, and get it for the most favourable price. Hopefully, at the same time, they are serviced accordingly, with respect to the material or the equipment that has been bought on an ongoing basis, which is a factor.

The government has been in power for a year. They celebrated their birthday not too long ago. Could the Minister table the local purchase policy that they started working on the day after the got elected.

**Hon. Mr. Kimmerly:** I would like to do that. It is in the form of a Management Board submission, which has not been approved by Management Board, but which is imminent. The local purchase policy of the previous government has been increasingly successful over the years. The statistics bear that out. It is our intention to continue to improve on the local procurement policy. It is a complex example.

As an example, there are some items that we know very well we could purchase from southern sources, and sometimes directly from manufacturers, at a fairly substantial saving. The previous policy has been where the market has any competitiveness to it at all to purchase locally and to stimulate the local merchant trade. A good example is computers, where the purchase is either primarily or entirely local.

The policy of the present government is not to change that, but to extend it. We see it as a value added proposition. It promotes the local economy. I thank the previous Member for his comments. After a year on the job, I appreciate them. I am not going to be disagreeing, with the exception of the colour of cars, which I consider as a relatively minor matter.

<sup>30</sup> When the local purchase policy is approved it will be publicized in an effort to further stimulate the local capability of supplying the government.

**Chairman:** We will now recess for 20 minutes.

*Recess*



**Chairman:** I will call Committee to order. We will continue with general debate.

**Mr. Lang:** I want to pursue the local hire policy, and then I want to get back to the size of the department in general debate.

The Minister says that he has carried on the policy of the previous government. I know that, informally, there was a policy of roughly a 15 percent edge with respect to purchasing. I also had the understanding that the Auditor General, I believe, recommended that it discontinue because there was no legal authority for that edge. I then understand that it was discontinued. Is that not correct? Was that not discontinued?

**Hon. Mr. Kimmerly:** Mr. Lang was right when he said it was "informally" approximately 15 percent. I would emphasize the "informally". It is my advice that we will achieve a greater local purchase if we maintain some informality about the process, but the danger, of course, if the guidelines are not clear and precise, is that it is subject to abuse, as anybody would expect.

The supply services department have some ability to make a judgement, if you will, about the local market. It is clear that if there is one local supplier and a well-known or public source or supply outside, then you have to apply some sort of a guideline. If you have a competitive market, the tendering system will generally take care of the allowable mark-ups. As an example, we could purchase cars more cheaply if we purchased in bulk in the south; however, we do not. One could mention other items as well. The policy will be something like the northern preference on contracting.

**Mr. Lang:** He still has not answered my question. My understanding was that it was discontinued about six months to a year ago, yet the Minister informed the House that, basically, we have the same policy ongoing. If he discontinued the 15 percent informal, unwritten edge for local suppliers, how can he tell the House that he had the same policy continue over the winter? Did he do it and not tell anybody then, I guess, is the question?

**Hon. Mr. Kimmerly:** There is nothing I have done that I have done and not told anybody. It has not been a ministerial direction to discontinue anything in the course of the last year.

**Mr. Lang:** I am not inferring any wrongdoing on anybody, I would like to make that clear. Is it not true that the 15 percent edge, which had been administered by the government up until a year ago, was discontinued by the government pending these alterations as far as the purchasing policy is concerned?

**Hon. Mr. Kimmerly:** I have no knowledge of that discontinuance, and I certainly would have if it had occurred. I expect it has not occurred.

**Mr. Lang:** I will have to check the record tomorrow, but I was of the understanding that the Auditor General had recommended that it discontinue, and I recall reading that the government had said that it had been discontinued. I believe it may have been in reply to the Auditor General's review of the financial operations of the government. So, one hand of the government is not telling the other hand of the government what they are doing. Perhaps the Minister has a comment on that? I am positive that is where it came from.

**Hon. Mr. Kimmerly:** The Member is obviously talking about the response to the Public Accounts Committee, and I forget the precise details of that. I will check myself, and I will be a position to clear up that inconsistency shortly.

**Mr. Lang:** I wanted to get on to the question of the whole department, and I appreciate the outline that the Minister gave us and the spirit with which he gave it. I want to impress upon him and express my concern that this is a department that continues to grow, year in and year out. It is a department that, quite frankly, does not provide a service to the public because of the nature and the objectives of the department. Here we have gone from 1985-86 with 134.5 man-years...

**Mrs. Firth:** Person-years.

**Mr. Lang:** Person-years, excuse me, I have been corrected. So, I will rephrase that: with 134.5 man-years, and now we are up to...

**Some Member:** Person-years.

**Laughter**

**Mr. Lang:** Person-years. Excuse me, my longevity in the government is showing again.

**Chairman:** It is after 9:30.

**Mr. Lang:** Now we have 134.5 person-years up to 164.2 person-years. That is an increase of 30. I know that the Minister will stand up and say that there was one casual here and it was here for a year or two years, and we converted that, and whatever. I want to talk about the basic principle, forget the individual positions. The department continues to grow. It almost rivals Finance, in my judgement, in running the government, between the bureaucratic departmental interplay that goes on and the one-upmanship that goes on because we are all human.

I want to impress upon the Minister our concern on this side, recognizing the mandate that he does have, but also recognizing, at the same time, that this department can take a lot of money if you let it. When it comes right down to it, the guy in the street, one really has to wonder what he or she is getting back for the dollars being invested. This is no disrespect to the people working within the department; they all have their mandates. At the same time we, as politicians, and as the employer-employee relationship, have a responsibility to outline what we expect these departments to be doing and the mandate that they should be doing it in and the resources that they have.

I see a budget here that, quite frankly, is asking to be voted \$11,781,000. We take a look at past years, \$10,400,000 and, previous to that, \$9,300,000. It is substantial, and it is a lot of money. I will get into the areas of computers and things like that a little later, but when one takes a look at that investment that we are making, I have to say that we, as politicians and legislators, and in the case of the Minister of the Crown and the responsibility he is vested with, I would ask that he take a very serious look at just exactly where this department is going.

In fact, I think that, in some cases, there are probably some areas in here that could be entertained for the purposes of contracting out some of the services. The Minister talked about computer services where a number of the graduates are obviously going, as opposed to applying to government for jobs. That is fair ball. I am sure there are other areas with the basis for a business to operate in Yukon; not solely dependant on government, but maybe in part dependant on government, at least for start-up or for continuity for a period of time until that small business gets on its feet and provides a service that, perhaps, is being provided from outside of Yukon.

That is one of the areas that we were concerned with: the principle on the janitorial service. That, to us, between the justice building between the territorial building could provide for a local company here the opportunity to provide the basis, at least in part, of a small company to be able to operate and, perhaps, provide in conjunction with that other services to the private sector where necessary under a contractual basis.

Now that I am on janitorial services, I would like to have more elaboration from the Minister on the study that he and my colleagues to the left agreed should be done. Just exactly how does he see it being done? When does he see the results coming back whether or not to tender the janitorial services out in this building and, perhaps, the justice building, perhaps as a unit? I would like to hear his comments on that? The reason I am asking now, and I do not want a flippant reply saying wait until next year, is because I want to know now. We are talking about people's lives, people being hired for the purposes of doing that responsibility. If you were going to tender, the time to tender would be now, on the justice building specifically in the next month, if that is the route that the government was going to go. So, I would like his comments on that if he could?

**Hon. Mr. Kimmerly:** I appreciate the comments. Concerning the question about the janitorial study, the situation, as it stands now, is exactly as follows. I gave instructions a day or so after the motion was passed in the Legislature to do a study, and that the study was to be completed in a year, that is within 12 months of the date of the motion, and that I would get a progress report on the progress of the study quarterly. On the next quarter, I will report on the progress.

I said that I did not see hiring an expensive consultant, that it could be done in-house; however, it needed the input of the private sector. I recommended that there be a study group of three people,

headed by the present property manager, Mike Bartsch, and that at least one janitorial contractor, if possible, who lives here be part of the study, that they look at the way it was done in other jurisdictions, look at questions such as the fair wage schedule and the quality of service and the overall cost if it is done by a contractor or in-house janitors, and that they assess the present private sector process in rural Yukon. As the previous Minister well knows, in the leased space in Whitehorse, except for 211 Hawkins, and in the communities, we do have private sector janitors. We are not anticipating changing that. We are looking at the whole system to decide what is most cost-effective in all of those circumstances.

**Mr. Lang:** I have heard gobbledy-gook before, but, in deference to the Minister, you are pretty much close to taking the cake on this one.

How did the Minister determine that it would take a year to do this study?

**Hon. Mr. Kimmerly:** I would like it done within a year. The question of the way the work was done in the long-term past in the previous approximately a year should be compared with the next year. There is no particular urgency, as I see it, and we should do the work well.

**Mr. Lang:** In view of the fact that the basic discussion centres around this building and the principle of contracting out versus government forces and, indirectly, the new justice building, why are you now going to review all the janitorial services throughout the Yukon? Have there been major problems?

**Hon. Mr. Kimmerly:** No, there are no major problems, and it is not a question of a review; it is a question of comparing the cost-effectiveness of those operations with the operation in the main building. It is a comparative analysis more than anything else.

**Mr. Lang:** For the record — and maybe my colleagues on the left would like to put something on the record as well, because it is an area that they showed some concern about, at least at one given time in view of the amendment that was put to the motion — did the party that is supporting you, the Liberal Party, give you the support to take a year to study this area?

**Hon. Mr. Kimmerly:** There was no discussion about any time period, as I remember it.

**Mr. Lang:** Perhaps we can hear from the Members to our left here. The major concern that I have, quite frankly, is the new justice building, the Andy Philipsen building. We are talking about two months from now. It would seem to me that a very quick review of, perhaps, the stipulations for tender procedures could be done very quickly and tenders could be called. It just seems to me that what we are doing is just dodging the issue. If that is the case, stand up and come clean. Do not talk to me about cost-effectiveness, do not talk to me about how we are going to set up a committee, and we are going to include the contractors in it to see whether or not we should discontinue all the contracts throughout the territory as an option, or have a public hearing process, or consultation.

Talk about dragging it out and not making a decision. If you do not believe that you should contract it out, come and tell us; come clean. Do not try to tell the public and the people who are in that business that you are still interested in them, if you do not believe it, as a government. I think that is, quite frankly, bordering on being dishonest. I want to know why, within the next month, we could not have a preliminary look and a final look at, at least, the brand-new building and take an honest assessment to see whether or not we could tender for those services, and maybe even make it a two-year tender and then compare this building with that building? Why could we not do that, to the Minister?

**Hon. Mr. Kimmerly:** We could, but we are not doing that. The government has made a decision to hire eight custodial workers to clean the Philipsen Law Centre; that is clearly in the budget here now. The decision is made. We are also, as a result of a motion in the House, clearly analyzing, and we will analyze carefully and well, the cost-effectiveness of contracting out janitorial services in the government, as a whole. That was the clear direction of that motion.

**Mr. Lang:** This motion has gone way beyond what I thought and what was discussed at that particular time. I want to hear from

the party to my left. My interpretation of that motion was not that we were going to review all of the janitorial contracts throughout the territory with the end objective of the Minister across the floor in view of what he has done here with the idea of, perhaps, hiring more people within the civil service so that we have everybody working for the government.

I would like to hear from the Leader of the Liberal Party his position. I say to the Leader of the Liberal Party, why do we not look at a month, come out with some new specs and tenders, and tender out the new Philipsen Building? Then, over the course of a year, it could be compared with this building, at least in context of newness, size, recognizing that it is different to some degree. At least there are some similarities. Why not?

If you go for a year, you know it is going to be a joke. There is going to be some report tabled, and everybody is going to push it underneath the rug. I submit to the floor of the House, I would like to hear Member's comments on this. It is an inspiration. It is an idea. Why do we not look at that? Then we could compare the service, quality, cost of this building versus the other one.

**Mr. McLachlan:** In response to the Member for Porter Creek's questions, certainly the Minister of Government Services is quite old enough to make up his own mind to what his timeframe is for the analysis of the study. We are not binding him on anything like that. I can quote from a personal experience with regard to the analysis of further janitorial services in government buildings that there exists a problem, for example, in Faro, in getting the school clean. The turnover amongst civil service is fabulous. If that and other school situations went to the private sector, I have no objection.

It may be that the Member cannot see that in Whitehorse, but we have seen problems in the outlying communities with the janitorial services in a number of the government buildings. If the study that he is attempting to do provides that, we have no problem with it. With regard to the Andy Philipsen Law Centre in this city, the Minister has obviously made his own decisions and is quite capable of carrying it out. Certainly the study analysis is there. You can say what you want about your timing and who wants it, but the Minister can make his own mind up without help.

**Mr. Lang:** Well, that is the first major policy statement that the new Leader has spoken to, and it is quite an inspiration, I am sure, for his party faithful. I put forward a concept that was different, that was discussed before, recognizing the compromising position that the people to my left have put themselves in. I said to them, look, why do we not carry on with what the Minister has done as far as this building is concerned, but, at the same time, tender out, under some revised tender documents, taking into account the fair wage schedule, which I spoke to at the motion, on the new justice building down the street. Now, what would be wrong with that? Then he could study it, and you could have the committee having public hearings in the school out in Faro, for all I care. I think we have an opportunity here to have a fair comparison done as opposed to sitting in here a year from now and having nothing to compare it with. I see the Member for Old Crow nodding her head. I am assuming that is good. Perhaps, the Leader of the Liberal Party has some more comments as far as that goes in view of what I am putting forward on the floor?

Silence is golden. Silence is golden.

Northern preference policy, Mr. Chairman. We will go back to local purchase. We seem to get different answers to different questions depending on the day. On page 25 of the Public Accounts report, it states as follows: "The department should review its application on northern preference to ensure that it is in accord with government policy. At the time of the hearings, January, 1986, the northern preference policy for goods and service had been discontinued pending review by the Executive Council Office. The northern preference policy for construction was still being applied, but it is also under review by the Executive Council Office. The committee will follow up on this."

Obviously, the Public Accounts Committee was told that that had discontinued. Could the Minister explain to me why the Public Accounts Committee was told one thing, and, obviously, the department carried on with the policy in question?

**Hon. Mr. Kimmerly:** The information given to the Public Accounts Committee was entirely accurate. The information I gave, I will check as to exactly the dates as to that discontinuance. I was obviously confused among various policies or various items, but the information to the Public Accounts Committee is entirely accurate.

**Mr. Lang:** It just seems to me that this is one of the problems that we are getting into. Perhaps, in part, it is caused to some degree because of our knowledge of government and how it functions, which I think is a good thing as far as the operation of the House itself is concerned. I am sure it is sometimes frustrating for the Members opposite.

I want to move on to another subject in general debate and ask a question of the transportation office. It seems to me that that has been under scrutiny for quite some time. I think the government said that the reservation office was under review in January of this year. I would like to know exactly where it is since this is May?

**Hon. Mr. Kimmerly:** The review is not complete. The completion date is projected at August. As to the precise state it is at, I, frankly, do not know; however, it will be completed in August, and I will give it ministerial attention in August.

**Mr. Lang:** I will leave that for now. I have a very general question to do with Porter Creek C. I believe it is in Government Service and, in conjunction with that, Community and Transportation. Could the Minister update us with respect to the legal situation that we face in recovering the costs from the initial contractor?

**Hon. Mr. Kimmerly:** We have retained private lawyers concerning that matter, and the exact state of those legal actions I am not personally aware of. I will look into it, and I will bring it back, perhaps in Justice, as I am aware of it as Minister of Justice more than as Minister of Government Services. I will bring back what information should be made public considering that there is a legal action about that, which is underway now.

**Mr. Lang:** We are talking about a lot of money. We are talking, if my memory serves me correctly, in the neighbourhood of a million and a half, two million. Is that outstanding amount of money reflected in the budget anywhere as a recovery?

**Hon. Mr. Kimmerly:** Not here. That is a capital item.

**Mr. Lang:** I recognize that it is a capital item, but, at the same time, if the proceedings are carried through the recoveries would come I think on the O&M Mains, not on the Capital allocation of dollars?

**Hon. Mr. Kimmerly:** It is not identified as a budget item as a recovery here.

**Mr. Lang:** Is there any truth to the information that I have been provided with that a major portion of that particular subdivision is going to have to be repaved?

**Hon. Mr. Kimmerly:** I frankly do not know; I will find out.

**Mr. Lang:** I would appreciate it if you would. I hope that is not the case, but I have heard it in a number of cases, and I thought that I might as well ask the question. One area that the Minister talked about, and that is the question of the computer programming course at Yukon College and the fact that we had hired one person out of seven who was a program analyst. I think, when the question was raised, I pointed out that you were hiring one, if I recall correctly.

The point I was making was that there were a number of other people who were in the process of graduating, and that there was some thought that the training that they were receiving did not meet the requirements asked by the government for the purposes of applying for the positions that were open or could be coming open. The Minister said he was going to check into that. Was there any validity to that, and, if there was, what has changed?

**Hon. Mr. Kimmerly:** There is an ongoing negotiation between a senior person in Yukon College and a senior person in Systems and Computing Services to coordinate the college instruction and the government's needs. The conclusion of those negotiations is not yet complete.

**Mr. Lang:** I would appreciate it if he could update us when that comes to a conclusion. The question of the northern preference policy, there seems to be some confusion. Who is actually responsible for it? Are you taking the lead role in the local purchase and local northern preference as far as the policies for the government are concerned?

**Hon. Mr. Kimmerly:** Yes. The policies will be government policies considered by Cabinet and Management Board, as the case may be, but the lead role is here in Government Services.

**Mr. Lang:** Is there any more being done as far as local hire policy is concerned? If so, could he update the House?

**Hon. Mr. Kimmerly:** There is work within the Public Service Commission. There is also work considering local materials, local purchase and local hire as it relates to contracts specifically. We are most interested in local hire on government-funded construction projects, as is everyone in the House. The mechanisms of achieving that local preference or local hire are being constantly studied and constantly improved. There is nothing specific to announce at the present time about that.

**Mr. Lang:** Following that, in view of the agreement with Curragh Resources, is that basically the main principle of local hire for the government?

**Hon. Mr. Kimmerly:** Curragh is a one-time transaction, or a one-time negotiation. The situation is unique in Faro, and the lead department was Economic Development in relationship to that agreement for the Curragh Mine.

**Mr. Lang:** That is not the principle for the whole government, then; it is just the principle for Economic Development, is that correct?

**Hon. Mr. Kimmerly:** Yes, that is correct. It is not the principle.

**Mr. Lang:** Different rules for different folks, I guess. Another area I would like to get into is on the question of computers, if we could. I would like a few minutes of your time. It has to do with the book that was tabled March 27, 1986; perhaps it was tabled in April at the time. I gave the Minister due notice that I was going to raise this question privately, so that he could be aware of what my problem with this document was. Just to go on it, the document obviously is very much of a technical document in the way it is presented; I understand that. I took the opportunity to read it, and I appreciate the fact that once I asked the question the Minister was more than prepared to table it in the House. I am sure that he probably would have tabled it even if I had not asked the question.

My concern deals with the scope of the responsibility that is going with the information technology. I asked, some time ago, and I and my Caucus colleagues did not have time, quite frankly, to get the opportunity to do a review of the computer systems that you have in place. I did have the opportunity, myself, when I was with the government — about a year-and-a-half ago, two years — to do a very quick tour of what was on the systems. I actually, as a layman, was quite surprised and quite amazed; perhaps because I am advancing in age, maybe, but you push these buttons and, all of a sudden, you see the life story of Jim McLachlan, whether he likes it or not.

Granted, it was not all that interesting. The point I am making is that there is certain information given in medical service areas, such as this. In some cases, the welfare situation, client tell relationship, a question of taxation, a question of receivables from people. The Government Leader was talking about pushing a button and being able to assess the government totally, right across the board, because of some coding in the mystique of computers that was going to make us all, if we are on the front bench at one given time or another, an instant expert in being able to tell what the financial resources of the government are.

To my knowledge there is no real effective legislation on the books here territorially to govern the privacy of the individual and the right of the individual. To my knowledge, there are some federal statutes, but to the extent that they govern us is questionable in view of the different information that we are collecting as opposed to what the federal government is collecting. My point, in essence, as far as this particular area is concerned, is that it does concern me when I read through the document and I see where they talk about procedures and they talk about controls, where Management Board has approval. On page 2.1, central agency budgeting, it refers to central agency review and central agency service, talking about procedures that have evolved.

I know the authority of Management Board. I know the authority of Cabinet. I also know the authority of the Minister. I also know



that in any one of those given bodies, individually or collectively, there can be abuses if we permit the system to allow it. At times, it can be very tempting, I am sure, with respect to pushing a button to see what information one can get on, say, a Member in the opposition, which might be able to be utilized in a manner that could be embarrassing to him or her. It could be used in a very vindictive manner. The point I am making is that it could be abused, and it could be very much to the detriment of the public good and with respect to how these Chambers conduct their business. That is one element.

The other element, of course, is getting information on your neighbour. Information is powerful. I see the computer, I see the terminal being put up in the executive wing of the floor. My concern is that there is not a check or a balance with respect to what is being provided to us as the Members of the opposition so that the public has a right to know. I would like to hear what the Minister is going to do to put something into place, to present for our consideration so that we have some legislative control over the conduct of the use of this information that is becoming, obviously, so massive and, at the same time, so easy to get to.

**Hon. Mr. Kimmerly:** I appreciate Mr. Lang's comments about the general issue of privacy, especially as it arises due to modern computer technology. Looking on the last printed page of the book I tabled, that is page 5.15, there are three items under management of the information resource that talk about policy statements regarding computer access and security audits and assessments. I would note especially items six and seven. That is the general stated plan of the department, per se, and I can give additional information for the timing. For number six, the draft policy is now under review, and the target date for completion is the third quarter of 1986. For number seven, about regular security audits, the target date is in 1987. The planning of that is not more precise than that.

Let me also say that, as Minister of Justice, I have considered exactly the same problem concerning the police computers. There is a lot more information on the new police computers than there is on the territorial government computers, believe me, and potentially what laypeople would call private information. The same kinds of privacy concerns can, and should, be considered. It is my feeling that we should be looking at a privacy act here. The Department of Justice and Government Services are not now developing such an act, but I assure the Member opposite that his concerns are noted very seriously. We will add the consideration of a privacy act to our list of future legislation, and I will ask the government as a whole to establish a priority of some kind to developing privacy legislation.

I thank the Member for taking the time to put on the record his concerns. I will make a special note to report progress in the budget next year.

**Mr. Lang:** I hope that, from a legislative point of view, it can become that much more of a priority and maybe be tabled next fall. Quite frankly, I am really concerned with respect to this area on the question of the rights of the individual. I recognize that the authors of this particular book said: well, a policy statement was fine. Well, a policy is only so good until it is broken and what your ramifications or what are your repercussions if that takes place. I feel quite strongly that the right of the individual should be paramount and, if necessary, should be given the benefit of the doubt in order that the technology of 1986, which is rapidly changing by the minute. I hope, as times goes on, that we do not get any further into the situation of big brother knows best.

Of course, at times it causes administrative problems. It is sometimes not to the best liking of the politicians of the day necessarily, depending on the issue, depending in the context of the problem that has arisen. I think it is essential in order to preserve our system of government and our system of privacy. Unfortunately, it seems today, because of the affluency of our society, we are sometimes prepared to sit back and let things go on and on and on as we chip away at the rights that have been fought for by our forefathers to the point that many of them died for our freedoms that we have enjoyed. This is one area that I see encroaching very rapidly into people's lives, the people whom we represent, in one manner or another.

With respect to the security audits, I would ask the Minister to double-check to ensure that there is a check and a balance in the system with respect to this present system. Until such time there is a privacy act, how would he see this working in looking at the system to ensure that there is no abuses as far as any policy procedures are concerned? Who would be sitting on such an agency?

**Hon. Mr. Kimmerly:** I am unable to respond precisely because I simply do not know. I do know that there is presently a system of codewords in computer programs, and there are now substantial checks involved. However, the potential abuses that Mr. Lang mentioned are still there. The specific mechanisms to improve are going to have to be suggested by greater experts than I. I am not technically proficient enough to know the way to get into private computer information or to avoid that. I will rely on the advice of experts. We all know that this is not a new question at all. It is studied extensively elsewhere. We will be guided by the information in other provincial governments and elsewhere.

**Mr. Lang:** I am prepared to leave this, but it is an area that I am going to put high in the priority on this side. I expect the government, in view of their words, to do so as well. Recognizing that it is not a perfect world out there, at the same time, there should be some legislative action taken, in our judgement, no later than the fall. A framework to work from. Then, if further work has to be done, that is fine. I am sure that this is not an area that is unknown by other jurisdictions. I am sure the concerns I have expressed are not new. I would like to think that, perhaps, some originality came from this side, but I have to say that Ontario or, as the Member has said, other provincial jurisdictions have had to wrestle with this particular question. I look forward to seeing what he brings forward here in the near future.

Moving on, I want to ask what the status of the Touche Ross Report is and what are the costs and implications thereto as far as the creation of more buildings or renting more buildings for government in view of our expansions?

**Hon. Mr. Kimmerly:** I was expecting to come to that. I will answer those questions generally now. The report was received at an approximate cost of \$60,000. I forget the precise amount, but that is in last year's budget. It was presented to the Management Board some weeks ago in a lengthy presentation. The report sets out several options, and it considers the cost effectiveness of leasing space and of owning space. It considers the standards of space per person and the cost. It considers the cost of moving. It recommends that substantial changes take place.

I am not now going to outline in detail the options. The report can be made public at an appropriate stage. The Management Board has not made a decision as to exactly what to do, but the Space Allocation Committee is meeting Friday morning, all morning, I believe, to consider the implications of the report and will recommend to Management Board a course of action very soon.

The implications of the move to the Philipsen Building are very, very great because it frees up substantial space in this building. We are considering the reallocation of that space and the disruption of the moves especially. What we will probably do, and this is not a decision of the government, but it is reasonably obviously, is plan moves of departments or activities over a regular course; perhaps one move per quarter as opposed to substantial moves all at once. The overall plan will be established in principle by the Management Board very, very soon. It is my expectation that when that is established, the Management Board will release the plan, and I will be able to inform all Members of it.

**Mr. Phelps:** The recent study that was done on the air quality and whatnot of the building indicated severe overcrowding in the building for its design, air flow, safety exits, that stuff, and so on. I am just wondering whether you have any kind of a handle on what the appropriate accommodation should be in the building for staff as opposed to what the actual accommodation is now? In other words, what kind of, given that you are going to be able to move a lot of people over to the Philipsen Building, implication does that have with regard to freeing up space so that this is properly utilized?

**Hon. Mr. Kimmerly:** I do not have the precise numbers in front of me, but this building was planned for approximately 300



people. There are approximately 500 people in the building now. The question of the cubic feet of air and the square footage of work space are well studied, and the study of the present situation by Touche Ross compared the provincial government standards and the federal government standards to our standards. It found that in our policy statements, that is in the policy of the capital plan, and the policies of the government, our policies about cubic feet of air and square footage of space are substantially the same as the federal government's policies, which is not surprising because they were originally copied from the federal government years ago.

The practice violates the policy very substantially in this building, and the worst situation is in Health and Human Resources, or was. The decision of the government will obviously be to return to the proper amount of square feet, which will involve the acquisition of more space. How that is done is a question for the Management Board to make. They will make it on the recommendation of the Space Allocation Committee, I am expecting, very, very soon.

The air quality situation has been substantially rectified except for the over-crowding situation. Considering the over-crowding situation, we are moving a fairly large branch of Health and Human Resources to the Royal Bank Building on the corner of 4th and Main. The renovations of that space are underway. The planning authorizations are certainly all made. That move has not actually physically occurred in that the employees are not actually there today, but they will be very, very soon.

When the Philipsen Building is opened, we will approach in this building the appropriate occupancy level.

**Mr. Phelps:** Can you tell me how many people the administrative wing of the Philipsen Building is designed to accommodate?

**Hon. Mr. Kimmerly:** The design is approximately 150. That is the entire Department of Justice and the judges and the federal Crown attorneys. Now, that is the design. The building, unfortunately, was designed without consideration of the present policy directives concerning space and offices. That occurred under the previous administration. The building also was designed to consider expansion space. There is considerable expansion space in that building as an office complex for justice and a court facility.

As an example, there are six offices for judges; four territorial and two supreme court. There are also judges' retiring rooms, a judges' library and a judges' conference room. The present complement, of course, is less than six judges. The office wing also had an expansion room for the Department of Justice. It is fairly obvious, considering the over-crowding of the government as a whole, that that expansion room should be utilized by some other department or some other branch in the interim. It will be very difficult, perhaps impossible, to utilize the vacant judges' offices. They are there and, because of the design of the building, will probably remain unoccupied for a considerable length of time. But, that is a situation that I did not plan, and I have to live with it.

**Mr. Phelps:** I take it, with regard to the judges' spaces, that is in the court wing of the building, and we are moving, instead of four and two, three territorial judges and we still have one supreme court judge, but we still do not know when that one might move. I take it from the answer that the Philipsen Building would take approximately 150 people. I also would take it that one of the branches, or programs, of Health and Human Resources is moving, very shortly, to new space in the Royal Bank. Is that additional new space?

**Hon. Mr. Kimmerly:** Concerning the Royal Bank Building, yes it is additional leased space on a term lease of, I believe, up to three years. I should correct, perhaps, a false impression I gave. The Philipsen Building was designed for approximately 150 people. However, it is quite possible, considering the proper space allocations considering the space policies to house more people than that in the building. We are looking at doing that. I hope that we can. Actually I am confident that we can. Exactly who, I do not know.

**Mr. Phelps:** I guess that I am trying to ascertain that it would seem from the debate so far that there is over-crowding to the extent of some-200 employees in this building. Even with the Philipsen building and the intention of the government to achieve safe standards in this building that we are in, even with the Philipsen

Building becoming occupied by persons within this building, it may be necessary to acquire leased, built or whatever additional space to really stay even in terms of appropriate, safe accommodation for today's number of employees in government in Whitehorse. Is that a fair summary?

**Hon. Mr. Kimmerly:** That is very fair; it is precisely accurate, in fact.

**Mr. Lang:** I wanted to move on to another topic other than space requirements, but I gather that my colleague to my far, far left has a question.

**Mr. McLachlan:** With regard to the question from the Member for Hootalinqua that we are still tight on space and the only answer is leased or build more, where does the government stand on moving some departments to another location in Yukon; the age old problem?

**Hon. Mr. Kimmerly:** It is not entirely up to Government Services, as the Member will appreciate. We do have a decentralization policy, generally, as a goal. If we build or lease more space, whatever we do, where it is is obviously a decision that impacts on the decision greatly. That decision will be made not by me, but by the government as a whole. It is not made as of now.

**Mr. McLachlan:** Have you had any indication which department that would impact upon first?

**Hon. Mr. Kimmerly:** I am unable to answer that. I can say that the Touche Ross Study indicated the needs of the various departments, and even the branches of the departments, and it considered various options considering devolution and the expansion, or progression, as identified by the departments. It considers the question of a responsible plan of moves to incur the least expense and the least disruption to the civil service. The principles are to not move twice if you can avoid it, to move only once, and to move into space that can be expanded as the departments expand, considering a 10 or 20 year projection. We are considering all of those options administratively. The deputy ministers will be paying attention to it, in fact, this Friday and recommendations will be made soon, and government will make a decision.

**Mr. Lang:** I just want to follow up on that before going on to another topic. When does he expect that he can make report public?

**Hon. Mr. Kimmerly:** Well, it is up to the Management Board again, but when the decision is taken as to an overall space plan, I would expect it before the plan.

**Mr. Lang:** If I could change topics here, and it goes into contracting procedures and contracting directives, which is a favorite topic between the Minister and myself. What is now in effect? Is it these contract directives, and that is the only document now governing the procedures and policies of tendering procedures to the government?

**Hon. Mr. Kimmerly:** Yes, however there are policies as government policies in addition to the directives, but the contracts directive is the substantial guide, and the answer to the question is yes.

**Mr. Lang:** Has the procedure 3-105 of contract administration procedures, which was in effect when they took government, been revoked by Management Board and Cabinet?

**Hon. Mr. Kimmerly:** No, they are still in effect.

**Mr. Lang:** If I recall correctly, during the controversy of the Tatchun-Frenchman Lake, and the contract procedures that had been violated at that time, one of the reasons for the new contract directives was that procedure 3-105, according to the Government Leader's tabled statement in the House, was the document that was unclear and was the reason for the changes. Can he tell me why there have not been any changes in view of the public statement that was made in this House on the matter?

**Hon. Mr. Kimmerly:** I will research specifically that question and bring back an appropriate answer. Off the top of my head, I do not know.

**Mr. Lang:** I think it is fairly important because there are a number of reasons here. Procedure 3-105 of the Management Board directive, if you like, refers specifically to the regulations. How can it be in effect if the regulations have been repealed? It refers specifically to sections in the regulations.

**Hon. Mr. Kimmerly:** The Member opposite is addressing a

specific concern. It is an interpretation, if you will, and I will look into it.

**Mr. Lang:** It is not an interpretation, it is a fact. It is written in black and white. I want to follow further: 26(4) of the tendering procedures, which the Minister has a copy of in front of him — refer to page 23 — “The contracting authority, after discussion with the contractor concerned, may recommend to Management Board the bypassing of a tender for reason of unavailability of the necessary equipment to undertake the work, previous poor performance record with the government, or the application of any northern preference or local hire policy of the government”. Why has that been changed to “discussions” as opposed to “...be put forward in writing” to the Management Board so that there is something in writing? Previously it was required that it had to be in writing.

**Hon. Mr. Kimmerly:** I do not understand the question properly. I do not understand the reference to written communication as opposed to oral communication.

**Mr. Lang:** Under the previous regulations, which the government so hastily repealed, section 6 of that particular document, subsection 2, the regulation that was then in effect states as follows: “Where tenders have obtained pursuant to subsection 1 and appears not to be expedient not to let the contract to the lowest tender, detailed reasons for recommending bypassing the lowest or any other tender shall be presented in writing to the Commissioner who shall judge the case or class of cases or either give or deny authority it passes by such lowest or any other tender and let the contract to another tender”. Why was that changed to strictly “discussions” as opposed to still requiring it to be in writing in order that it could be in the record that certain recommendations were made? What was that change made?

**Hon. Mr. Kimmerly:** It is simply a matter of what is included in the wording. The process of recommending to Management Board is well known to the previous Minister, and it has to be in writing. I have never in experience ever seen anything entirely oral. I cannot imagine it ever occurring. It may have occurred under the previous government, but it is totally unimaginable to me in this government. We could have said “recommend to Management Board in writing”, however it is obvious that the drafters considered the phrase “in writing” redundant and unnecessary. As everything is in writing, it is a distinction without a difference.

**Mr. Lang:** I beg to differ, just for the record. We had one incident last year, which I am not going to rehash. The reality of the situation, obviously, was that a lot of things were done verbally because no record was available, or, secondly, somebody was looking in the wrong place, I guess, and did not ask the right person. I think it is important, and I would make the representation to the Minister if he would be prepared to amend that particular section, or at least take it under serious consideration, to have that inserted. There is, obviously, a reason for it. That is for the record for anybody in the government to research a particular project or a particular situation, which, obviously, at times, can be very volatile and very politically sensitive.

**Hon. Mr. Kimmerly:** The concern is noted.

**Mr. Lang:** There is one thing “being noted”, and there is one thing being ignored. In some cases, I find, when I deal with this particular topic with the Minister, I get ignored to the point that I do not even get my letters answered. When he says “it is noted”, is he going to take it under serious consideration, in view of the fact that some changes are imminent, according to him, with respect to some commitments he has made to the Contractors Association?

**Hon. Mr. Kimmerly:** I had previously said it is a distinction without a difference. It is a minor wording change of no practical effect. My approach to that kind of thing is as follows: if it will make the Member opposite happy, then let us do it. It avoids the argument, but it is not my decision. I would consult with such people as the Contractors Association and possibly others. It is obviously a decision of the Management Board. It is not my intention to go to Management Board piecemeal and ask for minor changes every time someone asks for one. We will certainly consider it as a point, and when the Management Board is considering the changes or potential changes, we will consider that one.

**Mr. Lang:** I know that the Minister always likes to make me happy, and that would make me happy. I am assuming now that I am made that. Now that we have gone through the Contractors Association and Management Board, will he take it upon himself, in view of my representation and my knowledge of the situation and take it as a serious proposal to his colleagues as well as the Contractors Association? He covered himself 15 different ways why he could not do it. I am serious. It would make me happy, now would he be prepared to do it?

**Hon. Mr. Kimmerly:** I am, myself, made happy when the Member for Porter Creek East is happy, sometimes. I will consider it very, very seriously.

**Mr. Lang:** As far as the question of procedure 3-105, contract administration, could he tell me, in a general sense as opposed to in specifics, why the major principles in that particular document were not part of the contract directives? They do have an effect on government employees. They have an effect as far as procedures are concerned for a contractor to know what the procedure is, how the opening of contracts go. Is it his intention to include it in a document of this kind? This is the difficulty that we get into. Yes, they say directives are public, yet, at the same time, we do not even know if they are in effect because they are not necessarily a public document. Is it his intention to amalgamate these into one particular document, or what is the intention of the government?

**Hon. Mr. Kimmerly:** That exact question was discussed by myself and the Contractors Association, and it is the minutes of our meetings. That meeting occurred five or six weeks ago; I forget the precise date. We proposed at the meeting and there was general consensus that we would incorporate those policies as an appendix to the directives, as I remember the consensus. That would involve a proposal to the Management Board to do that. When I bring this to Management Board again, I will certainly include that recommendation.

**Mr. Lang:** It is cause for concern, and I think that this has turned into a major fiasco. It is fortunate that we have not had any major problems as of yet with the procedures 3-105 and the question of ability of just exactly how they fit it. He says they are still in effect; yet I recall conversations in this House when we were told that they had no legal basis and there was no basis with respect to the procedure that we referred to. Apparently it had not been approved by some constitutional lawyer as far as the regulations were concerned, if I recall the document. I do not have the document in front of me, but it is interesting that it is now in effect and that the government has obviously seen that the information that was provided for the House some time ago was not factual, as far as that document was concerned. I think that the document was very well done.

I should point out to the Member opposite that these documents did not appear overnight. In question, when I referred to the past regulations, which unfortunately you have repealed, and the procedures. They were the results of 10 to 15 years of experience, as time went on, by the previous governments. Primarily Commissioner Smith was the one who took a hand, from the political level, from the administrative side of government to try to get a procedure in so that not only were contracts let fairly, but they were perceived to be let fairly.

What concerns me with the contract directives, quite frankly, and I know it is a disagreement between myself and my colleague across the floor, is that I think the political arm of government can hold this up and not be responsible because it is not by regulations. It depends on definition with respect to the expenditure of money. As difficult, at times, as it may be, I think the fact that it was in regulation as opposed to directives was very beneficial (a) for the public servants, (b) for the politicians, and (c) for the public. I felt that, from our perspective, the public servant could say this is the law, you cannot go beyond the law; the politician could fall back and say this is the law, I cannot go beyond the law, this is the way it is; and, the public, then, knowing that it was the law accepted it.

Directives is a very fuzzy area; I do not care what anybody says. When you get exceptions in the law where it says that summary convictions do not apply under some sections, in other words, there are certain exceptions, then it really begins to cloud the issue. The

Member opposite, being so good with words because of his training, then it becomes a legal nightmare as opposed to a common layman understanding amongst the various parties involved.

<sup>15</sup> The other point that I want to make on procedure 3-105 just for the record, and I think it is important for the record, is that public tenders includes the procedure for calling them. It makes it very clear that all tenders are treated equally and bid on identified information and terms. It provides very clearly and unequivocally the conflict of interest guidelines for the public service, which I think is very, very important primarily in the smaller communities when you get into a situation where there are very few people and there are certain services that have to be done. It also outlines the compiling of responsibilities for the compiling of tender documents and the responsibility of the contracting authority, the requirement for distribution of tender documents, how you issue your addendums, and the list goes on.

That is the importance of procedure 3-105, which this government said was unclear and was the reason that they were going to bring forward major amendments to regulations or the directives. Yet, we still have procedure 3-105, which we presented to this House last July and over the course of last fall's debate, saying how important they were. Yet, the government said that that was the reason that they amended everything, and it is still in place. I am questioning the consistency of the government. Things were not all that bad. In this particular area, all I want to do is counsel the government. You have to be very, very careful when you start playing around with these contracts. I see more and more proposals being called for, which gives the latitude to the Minister to make the decisions as opposed to tendering. It is becoming more and more, from this side, a case of pork-barrel politics or the appearance thereof. The previous government overall tried to avoid it as much as possible through the tendering procedure, in most cases.

This brings me to the next topic that I want to discuss for a few minutes: that is the question of the government furniture. I want to know if he is going to table the cost-effective study, which he has referred to many times, and which the Liberal Party demanded, saying that there was a limit to their support for this particular project?

**Hon. Mr. Kimmerly:** I will not respond to the little lecture given about contract directives, except to say on the record that I do not accept most of the premises stated by Mr. Lang.

Concerning the furniture, I have previously said that there is no study, per se, as a neat study that can be tabled. I will table what I can collect about the market situation and the value added concept of the additions to the local economy. Let me say that the policy concerning furniture is an extension of the previous policy concerning local purchase. We are taking it a step further than the previous government did, but it is essentially the same principle. It is our intention to take it one step further again concerning local materials and the real benefits, or perhaps I should say the greater benefits, to the forest industry and the primary forestry manufacturing industry will be seen then.

<sup>16</sup> This government always could buy furniture more cheaply than we did over the past five or ten years. I will table some of that information, what I can, as well as the cost-effectiveness of the particular local product that we are buying.

Were we to buy direct from southern factories, we would save a lot of money. The previous government did not do that. The previous government bought locally and bought on an ad hoc basis. By doing so, they paid a premium. We are not criticizing that principle. As a general principle it is a good one. It develops the private sector here, it develops our economy locally; however, there is a limit somewhere. If you are paying a relatively small percentage more, it is acceptable. If you are paying three and four times as much, it is not acceptable. We are being more active, taking it one step further and stimulating not only retail jobs, but manufacturing jobs.

There are more jobs involved if we manufacture the product here. The savings, in the long run, will be substantial after the local cabinetmakers develop a greater experience and a greater expertise with manufacturing furniture. The additions to the local economy

are worth something, just like local purchasing is worth something. It is clearly cost-effective, considering the addition to our economy, to purchase these kinds of items as we are. As a general principle, I hope that the Conservatives agree with that. They have not stated agreement in the past, but I hope they do or will in the future as they see the benefits.

As to the particular experiments and the particular purchases, time will tell. The quality of the local manufacture is far superior to the quality of the factory-built furniture, and it is cost effective.

In view of the time, I move that you report progress on Bill No. 5.

*Motion agreed to*

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

*Motion agreed to*

*Speaker resumes the Chair*

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

**Mr. Webster:** At 7:42 p.m. the Committee of the Whole considered and passed the following motion: THAT the Committee of the Whole and the Assembly be empowered to continue to sit beyond 9:30 p.m. until 11:30 p.m. this evening for the purpose of continuing Committee consideration of Bill No. 5, *Second Appropriation Act, 1986-87*.

Further, Committee of the Whole considered Bill No. 5, *Second Appropriation Act, 1986-87*, and directed me to report progress on same.

**Speaker:** You have heard the report from the Chairman of Committee of the Whole. Are you agreed?

**Some Members:** Agreed.

**Speaker:** I declare that the report has carried.

**Mr. Phillips:** I move that the House do now adjourn.

**Speaker:** It has been moved by the Member for Whitehorse Riverdale North that the House do now adjourn.

*Motion agreed to*

**Speaker:** This House now stands adjourned until 1:30 p.m. tomorrow.

*The House adjourned at 11:30 p.m.*

**The following Sessional Paper was tabled May 14, 1986:**

Auditor General's Report on the examination of accounts and financial statements of the Compensation Fund (Yukon Territory) for the year ended December 31, 1985 (Kimmerly)

