



The Yukon Legislative Assembly

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HANSARD

Thursday, January 29, 1987 — 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

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

GOVERNMENT PRIVATE MEMBERS

New Democratic Party

Sam Johnston	Campbell
Norma Kasal	Old Crow
Art Webster	Klondike

OPPOSITION MEMBERS

Progressive Conservative

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

Liberal

James McLachlan Faro

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Clerk Assistant (Legislative)	Missy Follwell
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01 Whitehorse, Yukon

Thursday, January 29, 1987 — 1:30 p.m.

Speaker: I will now call the House to order. We will begin 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. Penikett: I have for tabling a written answer to a question presented by the Leader of the Official Opposition.

Speaker: Are there any Reports of Committees? Petitions?

Introduction of Bills?

Notices of Motion for the Production of Papers?

02 Notices of Motion?

Ministerial Statements?

MINISTERIAL STATEMENT**Child Welfare Pilot Project**

Hon. Mrs. Joe: On April 30th of last year, I announced in this House the transfer of child welfare responsibilities to the Champagne/Aishihik Social Services Society. At this time, I present an update of the Child Welfare Pilot Project.

At the present time, there are eight children in temporary care and one in permanent care. Four children have been returned to their parents following temporary placements. In addition, the Society is providing support services to three families from whom the children were not removed. This is part of the Society's prevention program.

Twenty-eight adults are involved in child care plans for the above children. Their participation has increased awareness among Band members about the need to identify problems before children need to be removed.

Training is being provided so that members can identify problems and provide support to the Society's Co-ordinator and to individual families.

The Co-ordinator is currently participating in my department's Social Development Worker Training Program. An evaluation process is being instituted so that there is an ongoing review of all Society-related activities. This will help the Society to learn as it grows and will provide my department with information that will be useful in the planning of future similar programs.

The Band Council has prioritized the Child Welfare Program, and its activities are co-ordinated with their other social programs. This helps eliminate duplication and encourages the development of a team approach to the solving of social problems.

The appointment by my department of half-time Community Addictions Worker in Haines Junction provides another resource utilized by the Band.

Although the three-year Pilot Project has only been operative since May, 1986, it is my feeling that the experience gained to date is proving to be mutually beneficial to the Band and to this government.

03 Mrs. Firth: I am certainly pleased to hear how well the Champagne-Aishihik Band is doing with the pilot project, particularly through the efforts of the social services person, Ms. Barbara Hume. The concern I have is that I would have anticipated or expected that the Band would have made this announcement of their progress in a positive way. I am somewhat dismayed to see that the Minister is making it and giving the impression that her department in some way is still responsible for the program. Therefore, it looks

as if the Minister is riding in on the coat-tails of the Champagne/Aishihik Band. We certainly do compliment the Band members for their initiatives and next time we would expect the Band to make these very positive announcements.

Mr. McLachlan: I am pleased to receive this update today from the Minister. I am familiar with what is going on there as I know people in the program. I am curious if the Minister can tell us if the program is a success insofar as it has gone in the first year. Are there plans by the Department of Health and Human Resources to extend this similar-type program elsewhere in the Yukon to other Bands?

04 Hon. Mrs. Joe: In regard to the comments made by the Member for Riverdale South, I think the Band would have appreciated the knowledge that we did compliment them through this Ministerial Statement. There was no other reason except that I thought it should be brought up to date, and I did that.

With respect to the question from the Member for Faro, we have written letters to all the other Bands indicating that we have started this program with the Champagne/Aishihik Band, and we invited their participation if they felt that they were willing to start up a program of their own.

Speaker: This then brings us to the Question Period. Are there any questions?

QUESTION PERIOD**Question re: Agricultural land**

Mr. Phelps: With respect to land, apparently the present policy of government is that when people are applying for agricultural land for an acreage less than 20 acres, the present policy does not allow the disposition of land. Why is that?

Hon. Mr. Porter: I do not have the detail at the level the Member is seeking. I will obtain that detail and provide the answer for him.

Mr. Phelps: Is the government reviewing its policy with respect to disposition of small acreages of land for agriculture?

05 Hon. Mr. Porter: Generally, the department is undertaking an agricultural review. As to whether or not the department is specifically focussed on the disposition regarding the land size, that is not correct.

Mr. Phelps: Can we expect a new policy fairly soon, and if so when?

Hon. Mr. Porter: I cannot confirm a specific date regarding the policy. As the Member is probably aware, we are looking toward additional work related to agriculture and that includes a conflicts resolution paper that is being done. As well the grazing lease issue is being looked at this weekend, so those are part and parcel of an agricultural policy. My feeling is that we should have the benefit of that information prior to moving to an overall policy.

Question re: Agricultural land

Mr. Phelps: That is of interest. Is there a special forum with regard to grazing policy review this weekend?

Hon. Mr. Porter: Yes, the APAC is meeting regarding the draft grazing policy that we have put together.

Mr. Phelps: Is there any intention of having other public input into that policy besides APAC?

Hon. Mr. Porter: At the present time, we have not decided whether or not we would open up to public consultations over and above that. We have had numerous consultations. For example, this fall, the Outfitters Association made some of their concerns very clear with respect to future policy development regarding agriculture, generally, and, more specifically, the area of grazing leases. This afternoon, I met with another individual who had concerns about grazing leases and the current state of those leases. There has been a lot said on the issue already, and I would wait for the weekend meeting to make a determination as to whether or not there should be further consultation.

06 Mr. Phelps: Can the Minister advise us when the policy with regard to grazing will be ready and made public?

Hon. Mr. Porter: If this weekend's meeting is very positive and there is a basic agreement between ourselves and the APA Committee, then my intention is, if it is deemed that there is no further public process needed, to simply take the issue and draft a Cabinet submission and go to Cabinet. Then, we would have the issue looked at as a Cabinet issue of policy.

Question re: Ushiku, trip to

Mr. McLachlan: I have a question for the Minister of Economic Development. On April 4 of this year, there is a large group of people leaving Whitehorse, Yukon for a charter to Japan to the city of, I believe, Ushiku. Does the Department of Economic Development have any intentions of putting people on board that charter on business vis-a-vis the Yukon government mainly for investment investigation?

Hon. Mr. Penikett: As I previously indicated in the House, this government will be pursuing its decision to embark on a trade mission to that area, which will be a properly-run trade mission with the advice of the federal government along the lines of the provinces, although a much more modest operation. We, at this point, do not plan to be part of the Mayor's venture into that part of the world.

Mr. McLachlan: I am somewhat surprised by the answer, because I believe that there was some talk in the media last year of significant investments in the Yukon Territory from that particular area of Japan regarding silver-plating and silver-smelting industries. I represent a riding where we have often talked about diversification away from straight mining, using such things as the silver concentrate, as does the Member from Mayo's riding. If I anticipate the Government Leader's answer, it is then the intention of the Yukon to make such a visit to Japan only by using the Canadian Embassy in that country? He would do it through the right protocol?

Hon. Mr. Penikett: There is a lot of experience in this country, both at the federal and provincial level, on how to conduct successful trade missions. They are usually entirely separate initiatives from the sister city or sister province exchanges, such as the Mayor is trying to promote here, and such as Alberta, for example, engages in with Akaido province in Japan. They are the sister city and sister province arrangements. I am advised that they are enormously expensive arrangements, and they have benefits to the respective jurisdictions.

The trade mission has a very narrow economic focus; it does not include the social and cultural dimensions as the sister city arrangements do. We have some very specific interests in those Asian markets; the export of our mineral product being, perhaps, the first of them. There is tourism potential, too, which we wish to explore, and there may be some investment potential.

We are doing preparation work now in preparing for such a mission. We are and have been in consultation with other jurisdictions, and we will be again. When we go on the trade mission, it will be a properly organized trade mission. We do not think our purposes will be served by simply being part of the Mayor's delegation to the sister city of Ushiku. Our targets are more likely to be in Tokyo and Seoul and places like that.

Mr. McLachlan: I can remember pursuing this issue with the Government Leader almost a year ago. To date, it still seems to be in the planning stages. Can the Minister indicate when he anticipates going to Japan on an official trade mission?

Hon. Mr. Penikett: We had originally anticipated we might be going some time before the spring session, but legislative priorities have changed our plans in that regard. Depending on how we would be sitting and how long we are involved in the Legislature, I would think that our next target will probably be the late summer or early fall.

There are certain times of the year when it is more opportune to go into those markets than others. Since the wishes of the House are so unclear as to our timetable this spring, I do not think it prudent to make any firm plans now.

Question re: Janitor services

Mr. Nordling: On January 12, the Member for Porter Creek East asked the Minister of Justice if he would table the janitorial

study, which was undertaken pursuant to a motion in this House last spring. The Minister said, "Very soon". When will the study be tabled?

Hon. Mr. Kimmerly: I am anticipating early next week.

Question re: Laminated beam plant

Mr. Nordling: On the same day, the Government Leader was asked about a study on the feasibility of a laminated beam plant in Yukon. The Government Leader said there was an application to EDA for funding of such a study. He did not know if the study was complete, and he was not sure whose property it was. He took the question as notice. Does the Government Leader know now if the study is complete, and whose property it is?

Hon. Mr. Penikett: I am sorry that I cannot give a more accurate update. The last report I had, and I will come back to the Member with a written answer, is that there were two proponents who made applications under EDA to pursue a glulam beam plant. One of them was a local operator here who was looking to expand an existing plant. The other one was an operator presently located in British Columbia, who was looking to move a small plant into the Yukon Territory and was pursuing a joint venture arrangement with a local entrepreneur.

In any case, I will come back to the Member with the specific information that he is requesting. The only constraint I may have is if there has been no decision made at the EDA board level, I will not be able to advise him as to what the decision is in advance of their having made it.

Mr. Nordling: There was also talk of whose property it was and a question asked of the Government Leader whether the government would be developing a policy or would with respect to these studies. I am sure there will be more than just this one undertaking. Does the Government Leader plan to have a policy with respect to who will have access to these studies and when?

Hon. Mr. Penikett: Yes, I did say we would have a look at it. Under the Opportunity Identification Program I did explain to the House, after a certain period of time when the proponent has an opportunity to take advantage of the feasibility work which is funded by the government, the information will then become public.

It is a somewhat different situation under the EDA programs because if you are doing feasibility work in connection with a specific plant, I do not think the government would have a claim on that study any more than it would, say, the capital assets that may be constructed with EDA money. So we are looking at two quite different situations.

I do take the point about information that is developed with public funds which may have some general application, and that is why I took the question as notice.

Question re: Fisheries

Mr. Brewster: My question is to the Minister of Renewable Resources. In view of the fact that freshwater fisheries is scheduled to be transferred April 1, 1987, can the Minister advise the House if the April 1st deadline can be met?

Hon. Mr. Porter: Whether or not that deadline will be met is open to question. I would like very clearly to set the record straight because it was reported that I had stated that there was an agreement between the federal Minister and myself that April 1st the transfer would take place. When I met with him in October, the nature of the discussion was that we had agreed that April 1st would be the target date for such a transfer. At this point we have not concluded an agreement.

I see the Member shaking his head. I am sorry, but if it were only up to me I would have an agreement now, but there are two parties to the negotiations and the Director of Wildlife is meeting with Fisheries Officials in Vancouver on January 30 to continue the negotiations.

Mr. Brewster: I did not shake my head. I am just getting old and it jumps around a little bit.

Have local federal officials been involved in this negotiation?

Hon. Mr. Porter: What federal officials there are in the Yukon with responsibility for fisheries, I am sure, have been consulted in

the process.

Mr. Brewster: How much money will the Yukon government receive to manage the freshwater fisheries?

Hon. Mr. Porter: That question will have to come out in the wash, if you will. It will be the result of negotiations between ourselves and the Government of Canada. If the Member is asking what position we are taking in those negotiations, our position is that for us to manage freshwater fisheries the way in which it should be properly managed in the Yukon, the number of person years that would be requested at the negotiation table would be nine. The total expenditure with respect to the dollars that are necessary, which includes the cost for those person years, is \$1 million. So that is the position we are taking with the federal fisheries department.

It was not you I was speaking about when I said "shaking your head"; there is another head shaker above you.

Question re: Commission on Indian Education and Training
Mrs. Firth: Since the Executive Director and support staff of the former Commission claim the Government broke the terms of reference of their contract and therefore they resigned, can the Minister of Education tell me if the Government was required to pay out the support staff or are they in the process of paying out the support staff because of that allegation?

Hon. Mr. McDonald: At the present time there is an allegation that is in part correct. The staff made the claim that the terms of reference had been changed substantially and, therefore, their relationship with the Commission had changed, and, therefore, they should be recompensed. It is our position that the terms of reference were changed to the extent that the Members are aware of today.

The staff's relationship with the Commission has not changed. There will be discussions between the ex-Commission staff and the government personnel to iron out the arrangements.

Mrs. Firth: When does the Minister of Education anticipate that they will have a solution to the question that has been raised, and when do they expect to have the issue resolved?

Hon. Mr. McDonald: I would hope very soon, because I do not think it is appropriate for the future health of the Commission to have certain issues ongoing. We would like to resolve it very soon, both for the peace of mind of the Commission, the government, the Council for Yukon Indians and for the staff themselves — very soon, I do not know exactly when.

Mrs. Firth: Will the funds for the resolution of that problem come from the existing \$250,000 of the Commission's money that is left?

Hon. Mr. McDonald: It has to be established if there are any funds coming from anywhere. I am not prepared to make any comment on that at this time.

Question re: Chief judge

Mr. Phillips: Last spring the Yukon Government expanded the number of Territorial judges to three because of need. Now we have just been notified that one of the positions is being vacated, and that is the position the chief judge. Can the Minister of Justice tell me if the government is making any immediate moves to fill the chief judge's position and, if so, when do they expect to fill that position?

Hon. Mr. Kimmerly: I thank the member opposite for the question. There was an inaccuracy about the increase of judges from two to three. That occurred in the spring of 1985, not last spring, although because of the secondment of the land claims negotiator there have never been three full time judges. The recruitment of a new judge has for the last three appointments taken a minimum of 10 months and a maximum of, I believe, 13 months. I am doing everything that I possibly can to avoid that for the appointment coming up, and I am continuing to do everything I possibly can to attract local candidates. I hope that a judge can be appointed to start work in June of this year.

Mr. Phillips: What steps are being taken in hiring the new judge? Will the same basic system that has been used in the past with the Judicial Council actually soliciting candidates and doing the interviews, making a short list, and presenting the short list to

the Minister, from which the Minister will make a selection. Is that the process that the Minister is going to use this time?

Hon. Mr. Kimmerly: No. That process has proved unsatisfactory to the previous Ministers of Justice and to me. The process that I favour is the one followed in the provinces, where the Judicial Council — or the vetting body similar to the Judicial Council — receives a list of names and makes a recommendation about the people on that list.

Question re: Lottery contract

Mr. Lang: With respect to the takeover of the distribution of lottery tickets by the government, it has raised the question of a breach of contract, in view of the fact there is a contract in place between 1986 and 1989 with Sports Yukon and the Yukon Arts Council to take on that responsibility.

The report inferred that Sports Yukon and the Yukon Arts Council had been consulted during the review process and, in a letter to the Minister, it states very clearly, "Sports Yukon and Yukon Arts Council were not consulted during the review process."

Why were these organizations not consulted prior to the final report being done, since they were the agency responsible for the distribution of the lottery tickets?

Hon. Mr. McDonald: As I mentioned yesterday, there is no assumption of responsibility that is not already incorporated within the existing responsibilities of the Lottery Commission. The breach of contract the Member refers to would be, in the legal sense, not permitted. The contract does allow for the termination, if that is felt to be necessary.

With respect to the issue at hand, I have asked my department officials to check on the particular matter that the Member mentions to determine whether or not the allegation is true.

Mr. Lang: In view of the fact that they were not consulted, and the Minister does not face a legal breach of contract, but does face a moral breach of contract with the Yukon Arts Council and Sports Yukon with the three-year contract that is now in place, is the Minister prepared to reconsider the position on policy that they took yesterday?

Hon. Mr. McDonald: I cannot accept the allegation that the Member is indicating that they were not consulted. I am not sure whether that, in and of itself, would be grounds for changing government policy.

Secondly, I would not agree that a termination of the contract in accordance with the terms of the contract would be a moral breach of the contract, either. The position that the government stated on the record yesterday, justified at some length, is the position that we will take.

Mr. Lang: In view of the position the government has put forward, and obviously in view of the size of the government and how it has grown over the past couple of years, could the Minister outline for us the cost of the four person years that will be required to administer the program when the government takes over this responsibility.

Hon. Mr. McDonald: The allegations the Member is making about the size of the government are unfounded, and I would certainly love the opportunity during Committee debate to take it up with him at some length. As I said yesterday, a number of times, which was obviously missed by the Member, the consultant made a number of recommendations, not all of which have been adopted. There is no acceptance that there will be four personnel required to do this job, or three, or any specific number. There is the general acceptance that the Lottery Commission in the future will take a more direct role in the managing of lotteries, as is its right, and as it is legislatively mandated.

Question re: Lottery contract

Mrs. Firth: My question is also for the Minister of Community and Transportation Services regarding the Lottery Commission.

The commission guidelines show that groups cannot use commission funds for operating expenses, except for some exceptions. I would like to ask the Minister if it is the government's policy to have the lottery funds go toward O&M costs for the new

guidelines?

Hon. Mr. McDonald: It is fairly obvious that the Commission is offering to fund O&M for the existing contractors, and I believe it has recently altered guidelines to incorporate some movement toward the funding of O&M. Traditionally, the Lottery Commission has also picked up any shortfall in government funding for government programs that are considered O&M. That is a historical occurrence, and I am sure most Members are aware of it.

Mrs. Firth: He has not answered the question and said whether it is the government's policy to have implemented in the new guidelines that the Commission is going to fund O&M costs. I would like him to clarify that.

In view of some of the recreational facilities that are being built, I would also like to ask if that policy will extend to the O&M costs of the running of some of the facilities in the communities?

Hon. Mr. McDonald: As I thought I had intimated, I said yes, that, of course, O&M funding was being considered.

With respect to the funding of community halls, et cetera, that currently is the responsibility of primarily community organizations. If they should choose to seek funding from the government or from the Lottery Commission in the future, then the government or the Lottery Commission is going to have to take that into consideration and decide whether or not it is justifiable.

¹² **Mrs. Firth:** In light of the fact that the Minister said that the contract had not been illegally breached, can he give us a reason why he offered an exchange, or asked the organizations what they wanted in exchange for breaching a contract?

Hon. Mr. McDonald: My first instinct is always to seek a negotiated settlement, and that is still my instinct. I would hope that we could make arrangements that would ensure there are no losers in this equation. I think that can be done. That is the reason why the legal remedy that is in most long-term contracts has never been seriously considered. There has always been a feeling that negotiations can resolve the matter.

Question re: Northern Canada Power Commission

Mr. McLachlan: I think the Government Leader's suggestion from Tuesday's Question Period with respect to working a schedule backwards on the NCPCC transfer from March 31, and taking an overly optimistic timetable, it shows that the announcement would have to be made — under the calculations I used — at the end of this week or very early next week.

Can the Government Leader advise if that is his intention?

Hon. Mr. Penikett: It is an interesting way of timing announcements. As I said, the two governments, by agreement, will be making announcements simultaneously as soon as we can. I only wish it could have been last month, but it could not be.

Mr. McLachlan: The success of this government's negotiations with the federal government on the NCPCC takeover will be judged by Yukoners and by future generations of Yukoners as to the amount of debt the territory must assume. There is certainly an indication about the reluctance on the part of Ottawa these days to absorb or swallow large amounts of debt.

Can the Government Leader advise if he is pleased or satisfied or, more specifically, can he advise how much of the Commission's debt this territory is prepared to assume?

Hon. Mr. Penikett: It is an interesting proposition. I think it falls under the heading of a hypothetical question, because I am being asked to provide a sneak preview of an announcement that is not ready to be made yet. I am confident that the way we have conducted the negotiations will be very satisfactory to the people of the Yukon Territory. I am very confident that, for the average person of the Yukon Territory, the impact on their power rates will be of even greater concern to them than the particulars of the debt structure, though that is important. With respect to both those questions, we have been negotiating very hard and very successfully on behalf of Yukon's interests.

Question re: Lottery contract

Mrs. Firth: In the Minister of Recreation's last response with respect to breaching the contract, I understood he acknowledged that he did breach the contract. Is that correct?

¹³ **Hon. Mr. McDonald:** That is absolutely silly.

Mrs. Firth: It is not absolutely silly. Maybe the Minister could tell us why he was negotiating with the groups if he did not breach the contract.

Hon. Mr. McDonald: The purpose of the arrangement was to seek a new management regime for lotteries, as I explained yesterday. There was no breach of the contract. There was no exercise of terms under the contract to terminate the contract. The matter currently is in negotiation with the existing contractors and there is hope that there will be a negotiated arrangement that will satisfy all parties. That is the purpose of the negotiations. There was no breach and no threat of breach; and there was no threat to exercise the terms of the agreement.

Speaker: Order. Would the Member please conclude his answer.

Question re: Lottery contract

Mr. Lang: As the Minister knows, there is a three-year agreement in place now, signed by the present Minister with Sports Yukon and the Arts Council, dated April 1986, less than one year ago. Is it the position of the government that if this particular organization, which fairly tendered and won that particular contract, wishes to hold the government to the terms of this contract, the government will abide by it?

Hon. Mr. McDonald: It is our hope that a negotiated version can be arranged. We are interested in changing the management structure of the way lotteries are managed, as I explained yesterday in the Legislature. If negotiations for one reason or another cannot, in the final analysis, reach agreement, we will then consider whether or not we will consider exercising the 90-day termination clause.

Mr. Lang: Then I would ask the Minister if what he has just put forward here is a threat to the organization, that if they do not come to terms it will be strictly a 90-day termination and, therefore, a breach of the contract by the government?

Hon. Mr. McDonald: That is not a threat. It is a clear indication of the way in which the government wishes to proceed. We have not made any determination as to whether or not negotiations have broken down and, therefore, have not made any determination as to whether or not the 90-day clause will be exercised.

¹⁴ **Mr. Lang:** Could the Minister outline to us why it is the intention of the government to discontinue the contract with Sports Yukon and the Arts Council who, the Minister told this House yesterday, were doing a good job with respect to the contract they had been asked to do? Why is it the position of the government to terminate this particular contract?

Hon. Mr. McDonald: I spent 40 minutes yesterday before this Legislature explaining just exactly that. If the Member was not listening yesterday, then there is no reason why he would be listening today. I explained all the reasons. I explained the issue of fairness. . . .

Speaker: Order, please. Let the Member speak.

Hon. Mr. McDonald: . . . fairness to all groups in the territory, all the good, useful groups in the territory, and not simply the contractors of this particular contract. That is the primary reason for this change.

Question re: Lottery contract

Mr. Lang: If he felt that the management of the distribution of lottery tickets was not in the best interests of the people of the territory, why did he sign a contract in April, 1986 to go into a three-year agreement with this particular organization, which had been doing it for three years prior to the renewal of that contract, which they won fairly in a tendering procedure?

Hon. Mr. McDonald: Last year, the Lottery Commission came and recommended that this agreement be signed, because they were at the stage where they felt that the continuing management of the lottery should be done by private contractors. At the same time, they indicated that they would be reviewing their operations in the coming year and would make recommendations as to whether or not any change was going to be required.

They have reported and recommended the change.

Mr. Lang: Could the Minister tell us whether or not, on page 6 of the agreement that he signed, the contractors defaulted in the performance of any covenant, condition or agreement contained therein? Was there any default on behalf of Sports Yukon or the Arts Council?

Hon. Mr. McDonald: I am sorry. I realize the Member got his question from the lawyer to his right. I am not a lawyer and not able to respond, but I will have a response for him when I ask the government lawyers to review the matter.

Mr. Lang: Could the Minister answer this question? Has the contractor, Sports Yukon and the Yukon Arts Council, defaulted in any way in any of the covenants that are required under the present agreement, with respect to carrying out the responsibilities that they said they would and signed the document that they would do it?

Hon. Mr. McDonald: I am sorry. I am ignorant of the terminology. I will have to ask the government lawyers to respond.

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

Speaker: Are there any Government Bills?

GOVERNMENT BILLS

Bill No. 18: Third Reading

Mr. Clerk: Third reading, Bill No. 18, standing in the name of the hon. Mr. Penikett.

Hon. Mr. Penikett: I move that Bill No. 18, entitled *Fourth Appropriation Act, 1986-87* be now read a third time and be passed.

Speaker: It has been moved by the hon. Government Leader that Bill No. 18 entitled, *Fourth Appropriation Act, 1986-87*, be now read a third time and do pass.

Motion agreed to

Speaker: I declare that Bill No. 18 has passed this House. May I have your further pleasure?

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: Committee of the Whole will now come to order.

Bill No. 52 — *An Act to Amend the Public Service Staff Relations Act* — continued

Hon. Mr. Penikett: When we adjourned last night at clause 8 of Bill No. 52, I had made some commitments to bring back some information for the Members. I have circulated copies of a computer run that includes all the confidential exclusions in the government.

The Members will understand that, because of the nature of the run, these are not broken out into the separate categories of management and confidential, but are included in a single list. The list is there to indicate that the people included on it are not intended to change as a result of this Act, only that the definition is to be titled.

If I could now respond in a brief way to two questions put by the Leader of the Official Opposition and by Mrs. Firth that are sort of questions of law — they will understand I cannot answer questions

about law but we can give opinions — I will report these opinions.

The question was asked of me about confidential exclusion. It is a precise term in labour law, and that the Labour Relations Board has determined a three-fold test as to what constitutes or what qualifies a person a confidential exclusion. The confidential matters that they will have access to are those matters relating to industrial relations and the disclosure of which — this is the second test — would adversely affect the employer in the industrial relations situation, and that these people who are excluded must be involved with regular duties. In other words, they must be a payroll clerk in Finance, not someone who may occasionally have access to payroll information.

I am given to understand that it is usually narrowly interpreted to maximize the inclusions in the bargaining unit, rather than the exclusions. These have to be agreed to by negotiations between the territorial government and its bargaining unit.

¹⁷ There was a reference in 1985, before the Canadian Labour Relations Board between the union and the Yukon Public Service Commission that dealt with this question.

The second question was whether there was a legal opinion. One was not sought on the precise point, but we are advised that the legal draftsman, in other words the person who drafted this Bill who, as I am sure the former Government Leader knows, is most often a contractor with this government, was asked to confirm his opinions with respect to the connection between the *Public Service Staff Relations Act* and the *Access to Information Act* and advises that the use of the word "confidential capacity" in the *Public Service Staff Relations Act* provision is solely for the purposes of that Act to determine which employees may join the union and which may not. The use of the word "confidential" in the *Access to Information Act* is solely for the purpose of that Act to determine the documents which may be withheld from public access. There is no connection between the two Acts.

Having said that and provided the information asked for yesterday with respect to the list of confidential and management exclusions, I would be prepared to respond to questions about clause 8.

Mr. Phelps: I thank the Government leader for coming back with the answers today. I am quite content with what is on the record to proceed through the final couple of clauses of the Act before us.

Clause 8 agreed to

On Clause 9

Clause 9 agreed to

On Title

Title agreed to

Hon. Mr. Penikett: I move that you report Bill No. 52, *An Act to Amend the Public Service Staff Relations Act*, without amendment.

Motion agreed to

Bill No. 7 — *First Appropriation Act, 1987-88* — continued

Chairman: We are on the Department of Government Services. The information appears on Page 43, supplementary information. The line item is Furniture and Office Equipment, \$589,000.

Hon. Mr. Kimmerly: We had discussed this item and in case there are further questions, I will wait before giving any further explanation.

¹⁸ **Mr. Phelps:** How much of the furniture and office equipment is under the new program for Yukon-manufactured furniture?

Hon. Mr. Kimmerly: There is no specific amount. There is no specific plan to tender for furniture at the present time. Some of this furniture may be locally manufactured, but we have no plan to put a portion of it in any program.

Mr. Lang: Perhaps the Minister could give us an outline of the \$589,000?

Hon. Mr. Kimmerly: I did that on December 18. This is for desks, shelves and office equipment for all of the departments. It has characteristically been put in one specific budget. The only way I could answer the question is to give, for last year, the number of desks, bookcases and things like that. That is entirely possible.

Mr. Lang: I think it is important because it is one way we can get a handle on where the government is. It is no secret that the

government is growing, and could the Minister undertake to bring forward how many desks were bought last year for new positions and for replacements?

Hon. Mr. Kimmerly: I have no problem with that.

Mr. Lang: Could the Minister also give us an outline as to how many \$8,000 to \$10,000 desks will be built next year?

Hon. Mr. Kimmerly: There are no plans for any at all.

Mr. Lang: With respect to the contracts that were let for the purpose of local manufacture of furniture, therefore, it is just the market place that is going to dictate, and the quality that is going to dictate, what desks are purchased?

Hon. Mr. Kimmerly: The answer to the question is: yes. Some of the furniture that we may buy might be locally-manufactured furniture. The principles in the question will apply.

Mr. Lang: I look forward to that information. I do not intend to hold up the Mains on this question. I think it will form part of the debate on the O&M Budget.

Furniture and Office Equipment in the amount of \$589,000 agreed to

On Queen's Printer

Hon. Mr. Kimmerly: This is two items: \$51,000 for a tandem offset press to replace an existing one that is worn out. This is in the print shop. It has reached the end of its service life, which was expected. The second item is \$89,000 for the replacement of high volume photocopiers in the Administration Building. Some photocopiers have been identified as problem areas because they are old and are breaking down and are designed for a lower volume of copies than they get.

There is a slight change of policy here, and that is that we both own and lease photocopiers. Approximately half of them are leased. Through our experience, we are learning that it is advantageous for the government to own the photocopiers so, over time, many, if not all, of the leased ones will be purchased. It would be at the end of their lease.

Mr. Phelps: Why has that decision been made?

Hon. Mr. Kimmerly: Solely because it is cost effective. The leasing arrangements are often advantageous to private industry, frequently for tax purposes and, also, because in a smaller operation the costs are effectively spread over monthly payments. For the government, it is proving to be cheaper to buy photocopiers rather than lease them. That is the direction we are going in.

Mr. Phelps: My experience, limited though it may be in private enterprise, is that the machines seem to become obsolete after a very short period of time and are worth nothing for resale. I am curious if the government's experience has been different than that.

Hon. Mr. Kimmerly: The government experience is not different as to obsolescence, but it remains cheaper to buy a photocopier outright and use it over the course of its life of four or five years than to lease. In the private situation, it is far easier to budget, and it may have tax advantages to lease. The government, however, is different.

Mr. Lang: This does not surprise me. The government is getting into everything so this area should not be any different. I am sure that we can prove anything to be cost effective. Once the government gets into the restaurant business, we will see how they make out.

Our machine is broken down a lot, and perhaps that machine should be looked at to see if it needs to be replaced. If we do not raise it here, the priorities of that portion of the building do not seem to have a very high standing in the discussions that ensue when the bureaucracy allocates the dollars for replacing various items. We would like to have it examined and replaced, if that is possible. Could we get a yes firm on the record instead a shake of the head?

Hon. Mr. Kimmerly: I give a firm yes.

Mrs. Firth: The Minister referred to the new printing machine that was purchased as a tandem offset press. Is that the kind of machine that it is replacing? Did we buy a new tandem offset press to replace the one that was there?

Hon. Mr. Kimmerly: Yes.

Mrs. Firth: Does this printing machine do the same as the other one, or is it more sophisticated? Is it of better quality? Can it do

more?

Hon. Mr. Kimmerly: I do not know if it is a newer, updated model. I will certainly find out, but it is exactly the same kind of press. It is expected that productivity on that machine will increase. I do not know if the one it is replacing is an older model press, but I will provide that information.

Mrs. Firth: My concern is the private printing businesses in town, at one time, could provide printing services that the government could not provide and, therefore, they were able to do those special printing projects. It seems that the Queen's Printer is always struggling to be just as well equipped as the private sector, and I would prefer not to see that happen. It would be our preference that the local printing businesses are not in any way being done out of business because of the sophisticated quality of machinery that the Department of Government Services is purchasing. I would like some reassurances from the Minister that that is not happening.

Hon. Mr. Kimmerly: I reassure the Member that that is not happening.

Mrs. Firth: Can the Minister tell me if the local printing businesses are aware that the government is making these purchases? Is it coming from outside the territory?

Hon. Mr. Kimmerly: I am advised that the answer is yes, that the communication, in fact, is fairly close because of the very small market. The source of supply of the actual press, I do not know. I would expect it will be outside, but they are certainly manufactured outside. Whether it is a local supplier or not is impossible to say because the purchase order or the tendering will only start in the future.

Mrs. Firth: I recognize that. Could the Minister, for curiosity's sake, tell us how old the press was that we are replacing? Also, what the lifespan usually is of one of those presses?

Hon. Mr. Kimmerly: The answer to both questions is five years.

Mrs. Firth: I would like to ask the Minister some questions about the agency of record. I do not know if it would be appropriate, whether all the advertising and printing is done out of his department, and whether it is going to continue as it has been in the past and that the government is going to have an agency of record who does the principal amount of printing for the government.

Hon. Mr. Kimmerly: That is entirely an O&M question and is entirely within the Department of Tourism.

Mrs. Firth: I will follow up on that with the Minister of Tourism.

*Queen's Printer in the amount of \$140,000 agreed to
On Records and Micrographics*

Hon. Mr. Kimmerly: This is the expansion of the space to store inactive government records. This project will add shelving to the existing warehouse space. The records space is increased. The actual rental of space, which is in the Burns Road building, will not be increased. There is also lifting equipment. The warehouse is used now, and there is excess capacity, but not on the floor space. One must increase the shelving to go higher. This is the cost of increasing the inactive records space by adding taller shelves.

*Records and Micrographics in the amount of \$28,000 agreed to
On Central Stores*

Central Stores in the amount of \$14,000

*Supply Services in the amount of \$1,185,000 agreed to
On Public Works*

Hon. Mr. Kimmerly: I would anticipate that the most constructive way to debate it is under the line items. We are not planning any particular reorganization or anything like that. The expenses here are increased over last year. That is primarily under the Energy Conservation Program, but also in Capital Maintenance. It is most productive to do it line-by-line, unless I can answer general questions.

On Capital Maintenance of Public Buildings

Hon. Mr. Kimmerly: I can give this information by community, and also by project. I will do so. The City of Whitehorse, \$630,000; Dawson City, \$190,000; Watson Lake, \$160,000; Haines Junction, \$120,000; Ross River, \$80,000; Old Crow,

\$25,000; Destruction Bay, \$25,000; Teslin, \$60,000; Faro, \$50,000; Carmacks, \$50,000; and Other, \$400,000. Capital Project Engineering on it is \$10,000, for a total of \$1,800,000.

²³ The projects are roof repairs for \$300,000. These replacement and repairs are in the form of an ongoing program. The buildings are the Government of Yukon Administration Building, Christ the King High School, Yukon College, Jack Hulland School and the Ross River School. The second category is called Minor Capital Maintenance Projects. That is a category that has existed for years. Under that, at Christ the King Elementary School, we are talking about entrance doors from the playground area and upgrading washrooms and floor drains. There are also identified projects throughout the year as has historically happened.

The third category is Window and Door Replacement for \$75,000. We are expecting that F.H. Collins will cost \$50,000 and Christ the King will cost \$25,000. The fourth category is work on heating systems, and this is \$75,000. We are anticipating changing the oil burners at Del van Gorder School in Faro and the Selkirk Street Schools. Other buildings that need minor heating upgrading are the Haines Junction grader station, Swift River grader station, the Ogilvie and the Klondike maintenance camps.

The fifth category is called elevator upgrading for \$120,000. This will affect elevators at Macaulay Lodge, Haines Junction administration building and the Watson Lake administration building. The sixth item is upgrading the sprinkler systems. This is \$100,000. The buildings anticipated to receive work are F.H. Collins, Whitehorse Elementary School, Takhini School, Jack Hulland School and work in the Whitehorse administration building.

The seventh category is reflooring of various schools for \$50,000. We are planning the F.H. Collins cafeteria floor, three classrooms at the Faro school including the Home Economics room, the Takhini School corridors and the hallways in Watson Lake Elementary School.

²⁴ The eighth category is for improvements on the lighting, \$75,000. We are anticipating work at the Carmacks and Dawson Grader Stations, Highways Tire Repair Shop, Whitehorse Elementary washrooms, Christ the King Elementary and High School washrooms, Selkirk washrooms and F.H. Collins washrooms. The ninth is interior renovations of Building 277. That is this building here. This is the Supply Services Building beside the Liquor Warehouse, it is not the Main Administration Building. It is for interior renovations on the inside of that building. It contains the Central Stores Warehouse and the offices of the Supply Services Branch owned by the government.

The tenth category is to replace the garage floor in Haines Junction for \$75,000. The concrete floor there has deteriorated where we are advised that minor repairs are not cost effective, and a new cement floor is appropriate.

The eleventh category is the preparation of condition reports on Yukon government properties; this is \$20,000. The preparation of drawings to continue an update of the engineering drawings for all public buildings, \$35,000. Miscellaneous projects, \$550,000. This is a historical figure and involves numerous projects from the value of very, very small, a matter of a few dollars, to sometimes as much as \$10,000 or \$20,000. That is a breakdown of the estimated expenditures for capital maintenance.

Mr. Lang: As you can see, there has been a significant increase here from 1986 to 1987, roughly \$400,000. I want to begin by asking the Minister what the overall attention of that particular allocation of dollars within the 10 categories outlined is? Is it the intention to have the majority of those projects tendered out for small business to tender? Does the Minister have any idea, round ballpark figures versus in-house responsibilities?

²⁵ **Hon. Mr. Kimmerly:** The answer is yes. There is no anticipated departure from the system in previous years. About 90 percent of the total dollars are contracted out. I was looking for a ballpark figure. It is really very hard to give one. I am going to say \$10,000, but there are certainly going to be projects of more than that done in-house and less than that tendered. It depends on particular contracts.

Mr. Lang: That is my point. I appreciate the fact that it could be 88 percent versus 92 percent. I just wanted to make the

assurances that it is going out to tender.

What is the overall time schedule for the purpose of getting these tenders out for public advertisement so that those who are in business are aware of them being tendered and get their work underway?

Hon. Mr. Kimmerly: I am informed that as soon as this Budget is approved, we will work on the tenders. We will be tendering prior to April 1, as early as the tenders are ready on specific projects. They could be February or March.

Mr. Lang: Is the Minister saying there is no in-house work going on with respect to the preparation of the necessary tender documents until this particular Budget is passed through the House?

Hon. Mr. Kimmerly: There is work ongoing on pre-engineering, which is preparatory to tendering, so the answer is that there is work ongoing. The tenders can come out prior to April 1, if the legal requirement is to not to award them until April 1.

Mr. Lang: I understand that; I just wanted to make sure that we had not stopped everything and were waiting for it to get through this House. We have run across one or two problems.

With respect to drawings and engineering and the question of tendering procedures or asking for proposals — in the area of architectural consultants and other consultants — once those proposals are brought in to the government, opened and examined by the government and a decision taken with respect to whatever the best proposal is on the various merits, is it the policy of the government to sit down with the other individuals or companies involved to go through their proposals to explain to them specifically where they were weak and to allow them to compare their proposal with that of the contracting consultant who was awarded the work to be undertaken?

²⁶ **Hon. Mr. Kimmerly:** Thank you for that question. It is something that we do that we could do better. The process is that the proposals are evaluated by a formal point system. If the people bidding wish, we do go through the analysis with some of them. Frequently, we have suggested that that process occur with some of the bidders. It is an excellent point.

We will continue to try to improve that process because it is to the advantage of the private sector. It is also to the advantage of the taxpayer because the capabilities and the overall quality of proposals and the contracts improve. That is to everyone's advantage.

We do not always do that; however, we will do it. Sometimes we suggest it, and we will continue to try to improve.

Mr. Lang: I appreciate the answer that the Minister has given me. I do not mean to sound facetious, but it sounds like he is half pregnant. Is it the policy of the government that once the proposals have been rated, once the decision has been made about the consultant who has won the contract for the jobs, is the information provided to the government made available to those competing interests who were not successful in the bid so they get to compare their proposal to that of the successful company so that they can strengthen their proposal for the next tender? It is important that it is explained, if requested, why their proposal was not as strong as the one that was successful. There should be some requirement for the civil service to answer for the decisions that have been made. I am asking for a definitive policy statement. I am not asking if we can do better. If I accept the Minister's answer, it means that it depends on the job, it depends on who I am and how hard I push. I do not think that is the case. It is a question of a general policy. If we are going to award taxpayers' dollars, we have to be prepared to say why. This is not strictly a tendering system. I understand the reasons for having a point system. I am not questioning that.

Hon. Mr. Kimmerly: I think I understand the concern a little more clearly. Frequently, there is a concern about the disclosure about details, and this is often the case of specific costing. There is a competitive advantage, of course. Yes, it is our policy to discuss the weaknesses in proposals, the strengths, the question of why people did not get the work and how they could improve their proposal.

Mr. Lang: Once the proposal that has won has been awarded a contract, do I, as a person who has submitted a proposal that was not successful, have access to compare myself directly with the

competing interest that won the tender?

27 Hon. Mr. Kimmerly: No, not always. If the person submitting the successful tender has no problem, I cannot see any problem. That is not our specific policy.

Mr. Lang: Why not? I can understand to the point where the decision is taken, when the information in each competing interest is confidential, but how can I, as a competing interest, be assured in my mind that the other interest was better than mine, and I could compare myself to that interest so that, the next time around, I understand where I can address my weaknesses for the purpose of competition. Is the Minister prepared to put in a policy where he makes it a requirement that if one interest is competitive in that type of tendering procedure, which is subjective, that that information then be made available to whomever wishes to see it, in order to ensure that it is examined properly and not being taken advantage of?

Hon. Mr. Kimmerly: I am advised that that process would occur on a tender, but not necessarily on a proposal. The reason is that sometimes there are patented or trade secrets or information developed internally, which gives a competitive advantage to some companies. That would not be of concern for patented information, but certainly for trade secrets and the like. There may be a disruption of the competitive interest. It is not something that private enterprise would contemplate. Although governments are different, we are still in the private market in soliciting these proposals and awarding work. It might not be done on every occasion.

Mr. Lang: The Minister wants it both ways. I am not going to hold up the Budget on it, but I put him on notice that I intend to proceed in other forums with respect to getting a resolution and a firm policy on this as opposed to the situation where it is appropriate in some cases and not in others. That means it is similar to other issues around here. You want it both ways. You cannot have it both ways. I will be pursuing it accordingly.

28 Capital Maintenance of Public Buildings in the amount of \$1,800,000 agreed to

On Energy Conservation Program

Hon. Mr. Kimmerly: The following building retrofits and alternative energy applications are planned. In Dawson City there is a total of \$175,000. This is the retrofit of four buildings on behalf of Highways and Human Resources, but it is the Highways Maintenance Complex. This involves improvements and insulation and upgrading of the mechanical and electric systems, and the application of a domestic water and an active solar system at MacDonald Lodge.

In Watson Lake there is a total of \$340,000: retrofit of two buildings for the Department of Education. This is thermal, electrical and mechanical improvements. This is the elementary school and a portion of the secondary school that is not anticipated to be replaced in the near future. There is the installation of a waste oil furnace at the Grader Station. There is a project to participate with Yukon Electrical in a study for heat recovery in Watson Lake buildings.

For Stewart Crossing, Haines Junction and Carmacks the total is \$80,000. This involves the retrofits of three buildings, which is upgrading the insulation, electrical and mechanical improvements. This is the mechanical workshop in Stewart Crossing and the schools at Haines Junction and Carmacks.

In Teslin, there is \$145,000 for retrofit of the Grader Station. This involves thermal insulation and upgrading of the lighting system to improve its energy efficiency. There is also some work planned in the elementary school.

In Whitehorse, a total of \$320,000. This is insulation at the Highways Automotive Shop. A second waste-oil furnace for Highways and Transportation. This is an active solar system for domestic water supply at the Correctional Centre and at Macaulay Lodge. To upgrade the energy efficiency at Whitehorse Elementary School will involve some insulation but mostly mechanical work. It is also to upgrade the energy efficiency of the mechanical system at Jack Hulland. Also upgrade the energy efficiency at two of the Group Homes that are owned by the government, on Liard Street and Lowe Street in Whitehorse.

29 In Beaver Creek, the total is \$90,000. This is for the installation of a waste oil furnace to heat a government building — the building has not been selected at the present time — and to upgrade the energy efficiency of the school building, which involves mostly mechanical work.

In Mayo, \$45,000 on the administration building and the school. This is upgrading the energy efficiency of the mechanical system. In Elsa, \$65,000 for the school, which is primarily insulation.

In various locations, the total of \$115,000, which will involve exterior insulation and energy efficiency of the lights or the controls of the lights in various government buildings.

Mrs. Firth: Could the Minister repeat the amount of money he said was going to be used for the energy conservation program for the group homes in Whitehorse?

Hon. Mr. Kimmerly: It is a total of \$35,000 for the Liard Street and Lowe Street group homes.

Mr. Lang: I think it was the Minister of Community and Transportation who provided us with a list so we would have it in front of us while he was reading it into the record. Perhaps the next time we get into a situation like that where you have a lump sum of \$1 million or \$500,000, the Minister could give us copies of the breakdown.

Hon. Mr. Kimmerly: Yes.

Mr. Lang: Last year, I raised the question of the government going out for proposals with respect to how these particular buildings could be altered to put in separate and different types of lighting and heating installations, in order to save on energy costs. I referred specifically at least to one proposal I was aware of that had already been put into the government for the purposes of changing the lights in this building to a different standard and different type of installation that, I understand, would save the government a great deal of money in energy costs.

At that time, the Minister responded that he felt it was a good idea and was one that was worth pursuing to see whether or not there were companies and/or people out there interested in presenting ideas to the government in a competitive-type atmosphere to be evaluated accordingly. What steps have been taken in that area to get the best buck for the taxpayers' dollars?

30 Hon. Mr. Kimmerly: The evaluation of that proposal is not complete. The projected energy savings are not as optimistic as was originally thought. It is premature to say yes or no to that particular proposal. I am advised that the evaluation is continuing.

Mr. Lang: The proposal that I am referring to has been with the government for almost one and one half year or two years. If the idea is to wait until these people die until we come to a decision, we are steadily getting to that point. The evaluation should not take two years for any proposal. In order that organizations take initiatives, there should be a call for proposals so that they are equally evaluated and so the implications of making the changes can be evaluated at the same time. This would ensure that all people, companies and organizations have fair opportunity to see if there are other ways of doing it. Why is it taking two years for this proposal to go through?

Hon. Mr. Kimmerly: The capital costs are extremely high. I am advised that we have purchased some lights, and they are here in the building. The energy consumption and the cost effectiveness are being monitored. The results are not as anticipated, and the evaluation is involving an experiment where a few lights are used. We are also using lower wattage bulbs as another experiment, and that is proving far more cost effective. The results are not yet complete.

Mr. McLachlan: Is the \$175,000 figure for the active solar systems for two installations, or are they \$175,000 each?

Hon. Mr. Kimmerly: Some of these are done in packages because it is the same kind of work. For Whitehorse, the total was \$320,000. The total for the automotive shop, the waste oil furnace for Highways and the solar systems in Macaulay and the Correctional Centre is \$200,000.

31 Mr. McLachlan: I asked the question because the budget documents prepared for us on page 47 show only a listing of \$175,000 for active solar systems for domestic water. I believe I heard the Minister read only two active solar water systems, one for

the Lodge and one for the Whitehorse Correctional Institute; therefore, I thought it may logically be \$87,500 each. I am not familiar with this.

Hon. Mr. Kimmerly: The total is seven altogether under the information on page 47.

Mr. McLachlan: In the situations where we are installing waste-oil furnaces in any of the grader stations, is there-enough waste oil created in those locations to feed the furnaces, or are we in a collector system where we are moving waste oil from the various 13 grader stations into the three or four that have them. My concern is that it becomes more and more expensive if we get into a truck, collector and haul system. The savings do not appear to be as great if they are hauling it all over the territory.

Hon. Mr. Kimmerly: In Whitehorse we have a surplus of waste oil. In the communities collection is involved. There is a shortage of the oil.

Mr. McLachlan: Then the total figure for jobs, such as the \$90,000 for Beaver Creek, is the total installation. There is a holding tank for the waste oil, there are pumps to feed the furnaces, it is a complete unit.

Hon. Mr. Kimmerly: Yes.

Mr. Brewster: I wonder if the Minister could explain. He has already said there is a shortage of oil in these communities. Why would they take the furthest one away from apparently where the surplus oil is to haul?

Hon. Mr. Kimmerly: The shortage is in the government-owned waste oil. I am advised that at Beaver Creek the proposal is to collect waste from the private garage and that is enough.

Mr. Brewster: Has anyone ever figured out how much comes out of that one private garage?

Hon. Mr. Kimmerly: There have obviously been some estimates. I am told that that has been looked at. I do not know the specifics. The major concern is the collection during the summer for burning during the winter and the tanks are necessary in any event. The advice I have is that in Beaver Creek we are not proposing to ship waste oil, but to use what exists in the community.

Mr. Brewster: My problem with this is you are very hesitant saying whether you have enough oil out of that garage. I am not an expert, but I do burn fuel. You would have to have a lot of fuel.

When we were in government, they had a system that would have cost hardly anything, once you got the heat waste from Yukon Electric, which would have heated all the homes and the garages and everything. They spent a lot of money studying this, had the plan all set up and they scrapped it. Now we are going on to a plan where I do not think we even know we have enough fuel, yet you are going to put that furnace there. This rather bothers me.

Hon. Mr. Kimmerly: I am informed that, considering the entire community, we do have enough fuel in Beaver Creek.

Mr. Brewster: I take it from the Minister that when he talks about fuel he is not talking about regular stove oil that is going into this furnace, but that it is waste fuel. I might advise that I will be around. If they run out of fuel in the middle of winter, this House will be hearing about this in no uncertain terms.

Mr. McLachlan: The Minister has not indicated the followup to that last question. If the government intends to take out the existing furnace for the waste installation that is only a backup to the existing one, then the existing one would still be left in place in case of running out of fuel.

Hon. Mr. Kimmerly: We have not selected a building in Beaver Creek, as I have indicated. The design indicates that it is a cost effective move to install a waste oil furnace in Beaver Creek in one of several government buildings. The design may involve making an old furnace obsolete. It may be designed to work in conjunction with an existing furnace.

Energy Conservation Program in the amount of \$1,608,000 agreed to

On Pre-Engineering Studies for YTG Departments

Hon. Mr. Kimmerly: This is a continuing expense from year to year. What we are specifically planning for this next year, for a total of \$241,000, is the feasibility study for the re-use or refurbishing of the old Yukon College site — there will be

continuing expenditures there — and for a conceptual design and planning design of a possible government administration building in Dawson City.

33 That may involve work on a Liquor Store or the replacement of the offices that are in the present firehall and liquor store. The design floor layout for the Building Maintenance Section of Government Services and the design of various government buildings including floor layouts, sprinkler systems, fire alarm systems, elevators, mechanical and electrical systems.

Pre-Engineering Studies for YTG Departments in the amount of \$241,000

Public Works Facilities and Equipment

Hon. Mr. Kimmerly: This is for a general workshop, a storage area and mechanical room and office for the Maintenance Workshop in Watson Lake. It also contains money for a radial arm saw and hand tools.

f33Mr. Lang: Are you building a whole new Maintenance Garage in Watson Lake?

Hon. Mr. Kimmerly: A workshop and storage area for building maintenance.

Mr. Lang: What are they doing now?

Hon. Mr. Kimmerly: They are presently operating out of a building that is too small, extremely old and not energy efficient at all. The plan is to build maintenance workshops in the rural areas of a similar kind of design, but to do it over time. Watson Lake is selected as the first one to be replaced.

Mr. Lang: Correct me if I am wrong, I thought these particular buildings would only be used at the time these people were down there for the purpose of maintenance on buildings, is that not correct?

34 Hon. Mr. Kimmerly: No. There is a permanent maintenance person in Watson Lake.

Mr. Lang: I thought that the renewable resource area could be utilized in conjunction with that kind of service. For example, Watson Lake does have a fair-sized shop there. One day someone is going to have to take responsibility for the lights and maintenance on the new buildings that are being built with the dollars that we get from Ottawa. Perhaps there should be some thought given to either adding on or utilizing some of the facilities that we already have. The other option is to see if there are any buildings for rent instead of building new ones.

Hon. Mr. Kimmerly: As to the O&M costs, one of the reasons that we are building a new building is that the O&M costs of the new building will be less than the O&M costs for the old building primarily because of the energy efficient construction. The possibility of combining space with the Department of Renewable Resources has been studied and rejected for lack of space. We are also expecting to increase the use of the maintenance function in Watson Lake reasonably soon as a consequence of the transfer of the health station there.

Public Works Facilities and Equipment in the amount of \$255,000 agreed to

On Asbestos Removal and Reinsulation of Public Buildings

Hon. Mr. Kimmerly: This is the Government Services maintenance workshop. It is an expensive operation, but I believe this finishes the program as far as the territorial government is concerned. There are small bits around and about but no major expenses. It is interesting that there still are major expenses in municipal buildings. This is the last major expenditure for asbestos removal that I am aware of.

35 *Asbestos Removal and Reinsulation of Public Buildings in the amount of \$125,000 agreed to*

Mrs. Firth: Before we clear the \$4,029,000, I would like to follow up on some questions I asked the Minister a long time ago when I was presented with the capital person year readout that the Government Leader gave us. At that time, I asked with respect to the salary dollars for these specific person years, even though they are term positions. I was interested in knowing what salary dollars had been allocated to the 14 person years that Public Works is going to be requiring for the implementation of this Capital Budget.

Hon. Mr. Kimmerly: This is financed out of chargebacks to the departments for projects. There is not a salary allocation for

those particular people.

Mrs. Firth: Is the Minister telling me that when they get a coordinator energy manager that that is going to be charged to some other department, and is in someone else's Capital Budget?

Hon. Mr. Kimmerly: Yes, but not to one department. Project officers and coordinators are paid for by the chargebacks on the particular capital projects of the various departments.

Mrs. Firth: I do not understand that, or I do not buy it. These are all Government Services Public Works person years. They are: coordinator, energy manager, internal energy auditor, construction supervisor, carpenters, electricians, project managers, project inspectors, expeditor, draftspersons and clerks.

I was of the impression that they were going to be located within the Department of Government Services Public Works Branch, and that salary dollars would be coming from that department. Now, I understand the Minister to say that these people will be located within Public Works but, for the work they do, that will be charged back to the departments that they do the work for. Am I interpreting that correctly?

Hon. Mr. Kimmerly: Yes. It is similar to a consulting firm charging clients by the hour. In this case, the clients are the departments. The Capital person year salaries are apportioned to the projects that they work on and are charged to those projects.

Mrs. Firth: So what the Minister is saying is that there is no salary identification for any of these term person years. For example, an internal energy auditor doing an internal energy audit for seven departments could have a salary in the hundreds of thousands of dollars, depending on the amount of work he is going to do, compared to a draftsperson who may have only a small amount of work to do. It does not make sense to me.

Hon. Mr. Kimmerly: The salaries do not change at all, the salaries are fixed. The Department, through its administration branch, charges out for the services of those people in order to pay the salaries. It operates on the same principle that private enterprise operates on, but we do not make a profit.

Mrs. Firth: Perhaps the Minister could tell me what the salaries are. That is what I want. That is what I originally asked for. How much money is going to be paid to the Coordinator of Energy Management, and to the Internal Energy Auditor and to the Construction Supervisor?

Hon. Mr. Kimmerly: Those will vary according to individuals. Project Managers receive approximately \$40,000. I will endeavour to get the information as to the specific salary ranges for those jobs and supply them.

Mr. Lang: I want to follow up on the general principle of charge-back. Last year the Minister of Community and Transportation Services came in and justified five person years under the principle that they were converted from being charge-backs on the capital side of his budget and they should be identified on the O&M side of the budget, as opposed to being hidden in the budgeting process. There used to be a process of charge-back in that particular instance. The policy was accepted at that time as it made sense. It identified the budgetary dollars for these person years and also identified the person years that were going to be there for some time, and the government should identify within the allocation of the person years as opposed to having them on term or indeterminate terms, or whatever the case may be.

That is the point my colleague is making. We do not get a true reflection of how many people we are talking about in the cost if we go through similar private enterprise. Just to refresh people's memory, for those who were not here, the reason that was put into place was because of the fact we did not have the ability to move our capital dollars into O&M, as the government now has with the consequence of financial formula. There was a financial reason for leaving it the way it was with a charge-back system. Now with your financial agreement with Ottawa there is no reason to hide these particular person years within the scope of the capital projects.

Hon. Mr. Kimmerly: Those positions are not hidden. They used to be, but I have given a list of them, the numbers and the job titles, so that they are now identified. They are identified as positions, and we can get the salary ranges and the total costs. It is possible to get that information, but we are not asking for

appropriations to pay the salaries, because we charged the departments on projects to pay the salaries.

We could, in the future, and this would be a decision of Management Board, stop the system chargebacks and ask for money in the O&M for these people. The reflection of the true costs to the taxpayer of the projects would be lost if we did that. That is a policy decision that Management Board could look at. The present system is that we identify people but are not asking for the salary dollars.

Mr. Lang: However it is done, I would like an undertaking by the government. I would like to see these term positions be identified for all the departments, not by asking for dollars, but by department so that when we go through the O&M Mains we will know the personnel that are required for the projects that are underway.

Hon. Mr. Kimmerly: Yes.

Mrs. Firth: The Minister says yes, but I can guarantee that when the O&M Budget is debated, we will be asking for that again. We will then be waiting for two weeks before we get the information that we require, as we waited for this information about the person years.

If there are no salary dollars identified with these positions, my concern is that we have a position that requires a construction supervisor, one term person year position, however that person may end up making \$70,000, \$80,000 or \$90,000 a year because of the work that they have to do. The Minister is shaking his head, no. Depending upon the amount of work that is done, we soon find that these people in supervisory and coordinator capacities are requiring support staff. Then before we know it, they become permanent positions.

The Minister says that they are not hidden now, that they used to be hidden and that he has given us a list of who they are. I know what happens then. We come in here to debate the O&M Budget and point out that there are three or four new person years in the O&M Budget, and the Minister says that they are not new, that they were working on capital projects and that they are not new person years, that we debated them before but when we debated them before, they were term positions.

It is very easy for term positions to sort of slide into being permanent positions. Then we get the royal runaround as to when they became permanent. It is made to look like there should not be any concern because they really are not new positions after all. I am trying to get at the root of the problem. It is not a matter of whether or not they were hidden. It is a matter of whether or not the government is being totally accountable and if we understand how they are moving people from one classification of position to another.

³⁸ Ultimately, the public understands.

Hon. Mr. Kimmerly: Because I remember the frustration I had when I was in Opposition finding this information, I will be very clear about supplying the numbers and the people and job titles in complete detail in the O&M Budget, where it properly is.

Mrs. Firth: I look forward to seeing that. If the Minister is true to his word, I will stand up and thank him for it. I recognize that commitment is for all government departments, as I had asked for, so they will be providing a complete detailed picture for all departments.

I want to follow up on another subject I raised at the beginning of the debate in Government Services on the question of the project management that the government was going to be undertaking. At that time, the Minister said that there were two ways that project management could be undertaken. One was with the general contractor in the private sector, and another was to have government project managers.

Is the Minister prepared to follow up on my concerns in that area? They were to do with liability versus the private project manager having to assume full liability and the government not having to assume full liability.

Hon. Mr. Kimmerly: Where the government is its own project manager, it does not hire a project manager, the government is liable and not the private sector, excepting so far as for each contract, within the scope of the specific contract, the contractor

would always be liable, of course. It is really as simple as that. In the specific application, it often becomes complex and is the subject of lawsuits, but that is the simple theory of it.

The policy of the government now is recognizing that the construction industry is changing and is growing, and it is most appropriate to give opportunity to the private sector, especially general contractors, to bid for the larger jobs. These are the \$5 million and \$6 million jobs. The Dawson school is a good example.

39 Mrs. Firth: The concern was raised because of the Public Accounts Committee work that had been done in the whole area of program management and the documentation that Government Services had produced regarding project management and the steps that were to be followed. Of course, when the government managed their own projects, you were not able to pursue a lawsuit because the government was, in effect, considered responsible as the Minister said. In this case, when you want to proceed with lawsuits it is only in the instance where there is a private project manager.

So we get back to that problem of what happens when a facility is built and it has been the government that has managed the project, and it sinks into the ground, as we have had a couple do. Is the Minister saying that because it is government managed that there is no way to be compensated because of the loss of dollars, during the decision-making process of that project having been done by government officials and, therefore, it is the taxpayer who assumes the additional costs.

Hon. Mr. Kimmerly: Not specifically. If a building is built and it just sinks into the ground as is occurring with a building in Faro that I know, and a building in Dawson City that I have seen, the problem can be several things. It would generally be identified as the concern of the engineering or architecture of the building, especially considering the ground materials. The issue is: is it negligence or not for the architect or engineer to advise as they did. It becomes a question of the state of knowledge of building in discontinuous permafrost or whatever it is, and what constitutes negligence. In those two cases, whether the building is by project management hired in the private sector is really irrelevant. You would look at where the fault lies. Is it with the contractor, the engineer, the architect or the person actually constructing the structure, or the project manager? It depends on who makes the mistake.

40 Mrs. Firth: I am really no further ahead. If it happens to be a government employee or official or supervisor or project manager who made the mistaken decision as to whether to proceed with the project or not, the taxpayer ends up paying the costs to repair the project. That is what is happening in Faro.

The Minister went into a lot of details about engineering and architectural and analysis — legal talk, I call it — and the summary of all that talk is that what would have to be done to make the determinations that the Minister raised, would that a project management audit would have to be done to find out where the fault was. I believe I am correct in saying that. Is the Minister saying that that kind of avenue is going to be pursued when this happens and it is under the project management of the government?

Hon. Mr. Kimmerly: Yes, we carry out engineering audits now. It would be called a project audit. That is the proper term.

Mrs. Firth: Could the Minister tell me if he has indicated if it is the government's intention to have the larger contracts go to the private sector for project management? Is the government going to be doing less project management themselves, extending more of it to the private sector? Is that the policy of this government?

Hon. Mr. Kimmerly: No, not as stated. The policy is to contract the job in total to a general contractor, where possible.

Mrs. Firth: Do I understand that to mean that the government is going to get away from project management?

Hon. Mr. Kimmerly: Yes.

Mrs. Firth: Could the Minister elaborate on why the government arrived at that decision for policy direction?

Hon. Mr. Kimmerly: Yes. I have explained that. The construction industry was ailing here in 1982, 1983, 1984, and the first major private sector project manager was for the Philippen Building and presently with Yukon College. One of the reasons — I believe the major reason — at the time was that it enabled the government

to break up the work into smaller pieces to make the local contracting industry more competitive. That situation is changing. It is changing gradually. There are several general contractors here now and other smaller companies positioning themselves to grow who are interested in larger contracts and in becoming general contractors. We perceive that that is a healthy growth. That exists elsewhere, and we would like to see a healthy, competitive market among general contractors.

41 It is appropriate now to contract a building like the Dawson school to a general contractor and let all of the sub-contracts be the business of that general contractor rather than the government.

Mrs. Firth: Can the Minister tell me if the Contractors Association is in agreement with that direction? Has he discussed it with them?

Hon. Mr. Kimmerly: I have discussed precisely this question with the Contractors Association. I have received their advice, and I have followed it.

Mrs. Firth: Could the Minister tell me, since he is saying that the contracting business is expanding and he wants to see a healthy, competitive industry, if a contractor's competitive edge increases or decreases as the cost goes up? Is it to the local contractor's advantage or disadvantage?

Hon. Mr. Kimmerly: It is impossible to answer that question, generally. It depends upon the projects. I am advised by the Contractors Association that if we do not let a general contract for projects in the neighbourhood of \$5 million or \$6 million, we will never develop a healthy, competitive market among general contractors. I am convinced by that advice. On the basis of that information, it is a competitive edge to local contractors to gradually grow in this direction.

If we did it all at once in one year, it would probably give an advantage to the large outside construction firms. If we grow steadily, it probably gives an advantage to the local people.

Mrs. Firth: Is the Minister's department looking at any other incentives in the contracting industry? Are they pursuing any new directions?

Hon. Mr. Kimmerly: Yes, we are. We have the business incentive policy, and we are looking at the value added concept as it is applied in other provinces. We have let a consultant's contract that was awarded to MacKay and Partners to study the question of a value added policy. I will shortly be discussing the implications of that with such groups as the Chamber of Commerce, the Contractors Association, the Economic Council, the Federation of Labour and maybe some other groups.

I am anticipating putting forward a motion in this Legislature to discuss the policy of that in order to obtain the views of the Legislature. That may occur some time soon. It is not at the stage of a government policy at the present time.

42 Mrs. Firth: I find that very interesting and wonder if the Minister could tell me if his contract is finished and if he has been given a report, or whatever he requested?

Hon. Mr. Kimmerly: Yes. In answer to the next question, I am asking for copies to be printed in order to make it public. I will table it here shortly.

Mrs. Firth: Can the Minister tell me if he consulted with anyone prior to going out and having this done? Had he talked to the Chamber of Commerce or the Contractors Association to see if they were interested in this kind of concept or did he just have the consultant come forward and make some recommendations that he is then going to take out through the consultative process?

Hon. Mr. Kimmerly: The latter. The difficulty is, in order to intelligently discuss the concept you need to know with some precision what the proposal is. The only businesslike way to consult with business people is to put a proposal to them and discuss it, and that is exactly the proposition I am proposing to follow. We have discussed this concept very generally, but not in a specific enough form to say that adequate consultation has occurred. I am anticipating putting forward a plan and asking for comment about it. I will also ask in the Legislature.

Mrs. Firth: I find it quite interesting that the Minister is very positive about the direction he wants to move in, because we just had a consultant's report done for the Minister of Community and

Transportation Services, who is responsible for Recreation, by the same consulting firm. There was really no discussion or consultation after the report was given to the Minister and I see the same kind of thing happening in this sense, where the government adopts the recommendations in the report and proceeds with it, and it is etched in stone because the consultant has done a report and the government has it and it is really the direction they want to come from.

I have some concerns about the consultative process and the fact that the government was not approached and asked to look at value-added concept when it came to business incentives — the value-added incentive, or whatever it is going to be called — and I feel sometimes that the business community is presented with this. It can be presented in a way that is made to look very attractive or it can be presented in a way that all of the positive and negative ramifications of the so-called new policy are presented. I would like to know from the Minister if he had any representation made to him for the value-added business incentive and whether the report is going to be etched in stone. Is there going to be some flexibility; if the business community does not want it they do not have to have it?

Hon. Mr. Kimmerly: I give my absolute assurance that there is nothing etched in stone, and the proposal will be a proposal. It will be for the purposes of consultation. The decisions as to what the government will do will only be taken after that consultation occurs.

The answer about the submissions made to the government is as follows: we have had many enquiries and statements about local hire. That is essentially a local hire issue. The Legislature has discussed local hire and is unanimous in its overall objective. The concern is how to achieve that objective. The evaluative analysis of government contracts is one of the ways of achieving that objective. Precisely how it is done is a matter of extreme importance to policy makers and the private sector. This government will follow its past policies and consult very widely.

I am anticipating putting forward a proposal specifically for consultation. It is not ready today, but it will be coming before the spring.

Chairman: We will now recess for 15 minutes.

Recess

Chairman: The Committee of the Whole will now come to order. We will continue with Government Services, Public Works.

Mrs. Firth: Can the Minister tell me if the value added concept will involve any more government staff? Will it require a growth in government?

Hon. Mr. Kimmerly: I sincerely hope not. The question is impossible to answer until we know what comes of it. That will depend upon the input from the private sector. We are not, however, anticipating a growth in the civil service as a consequence of the potential value added policy.

Mrs. Firth: I do not want to ask the Minister to reveal any confidential things that are in the recommendations of the consultant's report. My colleague is saying: why not. The Minister has made a commitment to table it, but it is a logical question. Does the report recommend that there will need to be a growth in government? That is consistent with the kind of questioning this afternoon.

Hon. Mr. Kimmerly: I believe the report does recommend a person to administer the plan, but I do not think we need it.

Laughter

Mrs. Firth: In all seriousness, the Minister tabled a report a few days ago that had some estimates about court facility upgrading. He said that he tabled it almost as justification for the costs in the Budget. When we went through the report and I asked questions about it, it was totally irrelevant to what they were doing. That is what the Minister said to me. If this report is recommending that we have a growth in government, and the Minister is now saying that he does not think it is necessary, why was there not some prior consultative work done before the report was even done?

Hon. Mr. Kimmerly: This is going from the sublime to the ridiculous. The government receives reports and recommendations all the time. They are not government policy. It is recommended to me at least once every second week by senior people in the public service that we have more people to do this and that. The Members opposite, who used to be Ministers, I am sure have occasionally said no to those requests, and we are capable of doing exactly the same thing.

It is totally unfair to criticize the government for a recommendation that is made to the government. We will receive lots of input on these issues; much of it will be contradictory. We are not planning growth in the public service as a consequence of value added, and it is certainly an option that if it is only achievable with accompanying growth, it would be a very negative factor and possibly a reason why we should not do it. After all of that, this is the Capital Budget, not an O&M Budget.

Mrs. Firth: The Minister cannot just dismiss by saying that we cannot debate it anymore because it is O&M and this is Capital. The Minister said that it was something the department was doing, and he raised the subject. I know very well how governments work when it comes to reports and recommendations and getting advice and trying to make decisions. What I am trying to analyze is how this government does it. I have seen every different angle and approach from this government. There are many ways to sell things and make them look nice and persuade people that this is what they want and to do something, put it out as a tester.

I want to know where this government is coming from. I want to know what this government's position is on this concept. The Minister is not going to get away with saying that, "We did not consult with anybody in the beginning; we had the consultant's report done. Now we are going to take it and see whether the people like it or not. Maybe we can convince them they really like it." Where are they really coming from? It is our job, as the Opposition, to determine where the government is coming from and what their policy is regarding the matter.

Hon. Mr. Penikett: The Member opposite is asking a general question as to where the government is coming from with the concept of value added.

I would have thought it was fairly clear, given our initiatives in the economic area all over the place, whether it is local furniture manufacturing, about which there has been some criticism opposite, or import substitution on the energy account, or any of the other initiatives we are taking where value added is at the core of what we are seeking to do in economic development. We recognize that perhaps the most serious problem in the Yukon economy, apart from its narrow base, is its leaky nature.

« We import almost everything we consume and we export almost everything we produce. What we are trying to do is to add value to those things that we produce here, and to cut down the leakages, whether it is on the energy account — oil or whatever — that plague us, and that are literally causing the hemorrhaging of dollars and jobs from our economy. It is fundamental for a developing area like ours that you try and achieve the maximum value added to your activities.

That can be obtained in construction, as the previous government well knew, by trying to get local contractors to do it or by trying to have local hire policies. You can achieve a further extension of those policies and increase the value added component by having a local materials policy, such as we introduced, which is an evolution from the local purchase policy, which was the previous government's one, and gets more dollars in the local economy, greater spinoff, greater employment benefits and, in the long run, greater economic growth.

So, as a general proposition, in answer to the Member for Riverdale South, yes, we are very much in support of the idea of achieving the maximum possible value added. As to the particular techniques and the particular application of that general policy that will find application in different ways. What the Minister is looking at is ways in which that might be done in the departments he supervises.

Mrs. Firth: As always, that sounds very nice. Who could be against that? Who could say no to that?

I am looking at how this government consults, what they refer to as consultation, and I have asked for some details about it, and I get the feeling that the government is not going to go out and consult; they are going to go out and they are going to sell it. That remains to be seen when the report is tabled, and I am sure we will get into more debate about this.

*Public Works in the amount of \$4,029,000 agreed to
Department of Government Services in the amount of \$9,068,000 agreed to*

On Department of Health and Human Resources

Chairman: The summation is on page 49.

Hon. Mrs. Joe: My official is very near the radio and listening. Hopefully he will be down here very soon. This Budget offers a number of significant departures from the activities of previous governments. First, I draw Members' attention to the new departmental and program objectives. These objectives signal new directions for Health and Human Resources. They link directly to this government's goals of equality, quality of life and regional development. They provide a mandate for prevention and treatment services.

Our emphasis is on working with Yukoners and communities to build the resource support initiatives and to provide essential services at the local level to address health and social service needs.

I am happy to point out that this Capital Budget allocation for health and social services is the largest in the history of the department. It is nearly three times larger than the 1986/87 Budget. These expenditures, together with those sponsored by my colleagues, will meet the needs and aspirations of Yukoners in all communities for economic and social opportunities.

Third, these estimates will include specific facility and equipment projects as well as advanced planning projects. We believe that proper planning will ensure that Yukoners receive the best possible service in the long run. As Members no doubt agree, we must invest now with a view to our long term health and social well being.

I would like to identify the highlights of this Capital Budget briefly. In the Community and Family Services Program, I am pleased to announce the establishment of a new day care capital assistance program supporting the establishment or improvement of licensed day care centres. This new program will complement the broad range of initiatives this government has taken on day care since assuming office. It will benefit Yukon families and children throughout the territory.

In order to strengthen the health and social services provided by non-profit community agencies, I am proposing the creation of a modest community agency development fund. Community agencies operated by volunteers provide an important contribution to the mix of prevention and treatment services required in the Yukon. This government believes that their efforts to improve these necessary services should be supported.

In the Social Services Program, a facility planning project to develop a long term strategy for residential treatment and detoxification services is planned. This project will complement the work of the Ministerial Advisory Committee on Substance Abuse.

In the Health Services Program, there are two major initiatives. The first project is part of the Yukon government's cost sharing arrangements with National Health and Welfare.

I am pleased to announce our support and financial participation in the construction of a new health centre for Pelly Crossing. The total cost is estimated at \$875,000. As Members know, Pelly is one of the few communities in which local health services are still being delivered from a trailer unit. The proposed project includes a new purpose-built health centre with a full range of public health and treatment services, as well as two self-contained apartments for staff.

The second major project in the health program involves planning and design funding of \$1.8 million for the completion of architectural design and engineering specifications for an extended care facility. It is being planned in conjunction with the Whitehorse General Hospital replacement project. The proposed facility will provide long term services for the chronically ill and severely

disabled, together with a small palliative care unit.

In the Juvenile Justice Program, provision has been made for the construction of a 12-bed secure custody facility for young offenders, as I have previously advised the House. In accordance with replacement schedules, standards and other service requirements, funding pursuant to the Department's five-year capital plan has been identified for acquisition of equipment and furnishings in all program areas.

Mrs. Firth: I would like to thank the Minister for providing me with supplementary information for the 1987-88 Capital Estimates, which gives a more detailed breakdown of some of the budgetary requests that the Minister is bringing forward.

The first comments I would like to make are on the budgetary process and the amount of money that has been identified in this Capital Budget. I recognize that the Minister has said that it is one of the largest, or the largest. I recognize, also, that there are some major construction projects that are going to be undertaken this year for which, of course, large amounts of money have been allocated.

However, there is also some new policy direction that has been entertained in this Capital Budget. I would like to draw attention to the point that the Minister made about the costs in this budget — the large amount of costs. I would like to know in some detail, if the Minister could give it, what the impact is going to be on the O&M Budget as a result of this Capital Budget? If I recall, the O&M Budget, which we debated in the Legislature last spring, for Health and Human Resources had quite a large O&M additional cost. I believe, almost \$5 million or, perhaps, more. I do have a concern about the impact of Capital Budgets on O&M Budgets, particularly in a time, as I indicated to the Minister in the last session, of so-called prosperity and growth and less unemployment, which should bring with it less crime, less abuse, both for woman and children. It has been shown traditionally in the past that those things happen.

I would be interested in hearing what the Minister says, particularly in relation to those two points: how these statistics are looking for increases in so-called crime areas that her department would be responsible for, and the impact of this Budget on the O&M Budget.

Hon. Mrs. Joe: There are a lot of renovations in this Budget that will not require any additional O&M costs. The only costs that I could see would be in terms of the daycare program where, if we were to have some new daycares opened and licensed in communities, or even in Whitehorse, that they require the subsidies available to the parents who are eligible, and also to the licensed spaces in those daycares.

With respect to the young offenders facility for secure custody, those expenses and costs are already included in this year's Budget.

Mrs. Firth: I will talk about the daycare subsidies a bit later, because I want to get into quite a bit of debate about that. I have quite a few questions to ask about that area.

When we build new facilities, I see the potential of large O&M costs. If we are going to build an extended care facility, there are bound to be some O&M costs attached. If we are going to build a new health centre in Pelly Crossing for \$875,000, with two staff there, I see some O&M costs for that centre. We are going to build a young offenders facility, a 12-bed secure custody facility. I see some O&M costs there. I cannot believe that they are all included in the O&M Budget from the previous year. We are going to be looking at staff and maintenance costs and so on.

Could the Minister be a little more detailed in her response, please?

Hon. Mrs. Joe: The cost for the young offenders secure facility will be transferred back to the Yukon, because we will not be sending our offenders outside anymore. That kind of cost will be kept here in the Yukon. There are a number of other initiatives that we have planned for our O&M Budget in terms of cutting down on certain programs that we have.

In Pelly Crossing, we have two staff members working, and there are no plans to increase those person years. We are just building a facility to accommodate them, to make work a little more pleasant and efficient.

Mrs. Firth: I still am not convinced that there will not be more

O&M costs. When young offenders are sent out of the Yukon, there is a certain flat rate paid that covers everything. I know that surely it cannot be a cost that would be equivalent to housing young offenders here in the Yukon paying for a facility that needs to be heated, needs lights and that has to be maintained. Staff has to be paid for, which is very expensive. We have high salaries here, and the facility will require qualified, professionally trained personnel. They are going to need food, recreational and educational services.

When we purchased services from facilities, we actually do fairly well. I know it costs more to provide these services here; therefore, I cannot accept that it is not going to cost more to have a young offenders facility here than it would be to send young offenders outside, purchasing the services from someone else.

The same applies to the Pelly Health Centre. It will be a bigger building, obviously, for almost \$1 million. It will require, heat, light and so on. I cannot see the cost to service one small facility offsetting the costs of a brand new big facility.

Hon. Mrs. Joe: We have already voted for those person years for the young offenders facility. We have positions that are vacant at this point in time. We are going to be moving some of the staff around that are in existing facilities already. That would take care of those person years. I do not anticipate that we will be looking for any more next year. We will be cost-shared by the federal government for the young offenders program.

With respect to the Pelly Health Centre, I believe a new building would be a lot more cost effective in terms of energy. It would be a bit more efficient to run. I cannot imagine why we would have to hire new people to work there just because it is going to be a new facility.

Mrs. Firth: I am not talking about hiring new people. I got the Minister's point when she said they had two persons and they were going to have two people in the new facility.

I get the feeling that the Minister is telling me that the O&M Budget of the Department of Health and Human Resources is just so flush that they are going to be able to assume all the new O&M costs of the new facilities that are going to be built as a result of this Capital Budget.

Hon. Mrs. Joe: I cannot give the Member any figures right now. We are talking about O&M figures. I have seen my Budget for next year, and I know what it is going to be, but I cannot give her any figures.

Mrs. Firth: I am not being unreasonable. I do not think any Member in this House would think I am. I would like to know what kind of analysis has been done. I cannot accept the Minister standing up and telling me that, as a result of these new facilities and structures, the O&M Budget is not going to increase significantly. I want to know what kind of analysis was done by the department officials when they came forward and decided that we could afford to spend this much money in new structures in Health and Human Resources.

Hon. Mrs. Joe: The new renovations that are going to be done will save us money. I am informed that every time there is a new project for something that is going to be built or renovated, those costs are also presented to Management Board at the same time. The Member knows that the government just does not go willy-nilly to Management Board and say, "I want this new thing." Plans are included in it. I cannot tell her what specific plans and studies were done at that time. We know that it takes a long time to put together that kind of a plan. I cannot sit here and say to her that I am going to have the department build a new facility and have the plan in front of me, without all that necessary work that has to be done to tell us that a program or a new building that we have is going to be feasible.

Mrs. Firth: The Minister should not tell us then, that there are not going to be more O&M costs because of the structures of those new facilities. The Minister responsible for Government Services and the Minister of Education, who is building a new Yukon College, always tell us, and I recognize it from having been a Minister, that when a new facility is built, a lot of O&M costs are taken on. In renovations, I can see an efficiency aspect of it, but we are doing energy renovations on three group homes. I do not anticipate a lot of cost savings in that area, certainly not to balance

the construction of brand new facility like a new young offenders facility, a nursing station in Pelly or an extended care facility at the Whitehorse General Hospital.

Hon. Mrs. Joe: At this point in time, there is only the design that is being done for the extended care facility, so that there will not be any O&M costs at this time, and even into next year. I do not know what other information I can give the Member.

Mrs. Firth: I am not asking for exact figures or an approximation of these expenditures. We are asking to approve \$6 million. Is that going to have an impact on the O&M Budget? Will it increase it by a percentage? It cannot be zero percent. I cannot accept that.

Hon. Mrs. Joe: I cannot give her information on the O&M Budget. The O&M Budget is being put together right now. We have gone over it. I just do not think that I have to stand here and give her answers on an O&M Budget that has not even come to this House yet.

Mrs. Firth: That is not what I am asking. I would not ask the Minister for any specific figures out of the O&M Budget. I am not doing that. I am asking the Minister to tell me, to satisfy the Members in the Opposition here, that if she is coming here asking for \$6 million to build some structures, I want to know what the O&M impact is going to be. What are the O&M costs of these structures going to be? How much is it going to cost to run the new facility in Pelly Crossing? How much is it going to cost to run the extended care facility? We will get into more detail about that, because if this \$1.8 million is just for design, I would like to know how much the whole facility is going to cost. That will be interesting. I will be asking the Minister again what the potential O&M costs are to run that.

The Minister of Education has given us that. He has told us it is going to cost I do not know how many millions to operate and maintain the new college facility. The Minister of Justice told us the new Justice building resulted in a million dollars of O&M costs, or something within that vicinity. That is all I am asking.

Hon. Mrs. Joe: I think that when she was asking questions of the Minister of Justice and the Minister of Education, they had a building that had already started to go up. This facility that she is talking about right now is being designed. Along with that design and all the other plans that are taking place, we will be able to tell the Member further on down the road that it is going to cost so much to run. I do not know if the Member could have told you how much the college was going to cost in O&M at the stage that the extended care is in right now.

Mrs. Firth: I just get the feeling that we are not going to get any O&M costs; that it is not being taken into consideration. Even in the design stage, part of the design stage, as I see it, is determining which is going to be the most efficient way to operate and maintain it. Surely, in the design phase, you are going to take that into account. I do not even get any indication that it is being taken into account. When the O&M Budget comes forward, and we have these huge operating and maintenance costs for this \$6 million Capital Budget, which I am going to be accused of having passed with much reluctance, it is because I cannot get any answers.

I would like to have the Minister follow up on the issue I raised about the statistics and the need for the daycare capital assistance. Is the Minister finding that requirements are going up and, if so, by how much that would justify coming and asking for this new initiative in the Budget?

Hon. Mrs. Joe: There is no question that the need for daycare in the Yukon is there. We have been lobbied by the Day Care Association; we have been lobbied by communities who are interested in daycares. They have a very big problem in the communities with babysitters. They are a little bit harder to find than a daycare facility. We know that the need is there. We are accommodating, hopefully, that need.

Mrs. Firth: I know that the need is there. All of the Members on this side know that it is there. What has happened to make the government decide that it has to expand the daycare services? What statistics or information has the Minister been given to indicate that we need this kind of incentive for daycare capital assistance?

Hon. Mrs. Joe: We have many applications from people in the communities. We have letters asking about daycare, telling us that

there is a need for daycare. Our Day Care Coordinator has met with those groups, and we have all of that information on hand. It is substantial, and I believe that it is justified.

Hon. Mr. Porter: In view of the time, I ask that the Chair report progress on Bill No. 7.

Motion agreed to

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

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order. May we have a report from the Chairman of the Committee of the Whole.

Mr. Webster: The Committee of the Whole has considered Bill No. 52, *An Act to Amend the Public Service Staff Relations Act*, and directs me to report same without amendment.

Further, the Committee has considered Bill No. 7, *First Appropriation Act, 1987-88*, and directs me to report progress of same.

Mr. Speaker: You have heard the report from the Chairman of the Committee of the Whole. Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare that the report carries.

Mr. Lang: On a point of order. Could the House Leader tell me what the business of the House will be next week? Is it to carry on with the Budget?

Hon. Mr. Porter: On a point of order. The decision for next week's lineup of business has not yet been determined by government. We will probably be considering it on Friday, as we usually do.

I move that the House do now adjourn.

Mr. Speaker: It has been moved by the Government House Leader that the House do now adjourn.

Motion agreed to

Mr. Speaker: This House now stands adjourned until 1:30 p.m. Monday next.

House adjourned at 5:28 p.m.

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