

Whitehorse, Yukon**Thursday, November 30, 2006 -- 1:00 p.m.**

Speaker: I will now call the House to order. We will proceed at this time with prayers.

Prayers

DAILY ROUTINE

Speaker: We will proceed at this time with the Order Paper.

Tributes.

TRIBUTES**In recognition of World AIDS Day**

Hon. Mr. Cathers: Friday, December 1 is World AIDS Day, and I rise today to ask my colleagues in this House to join me in reaffirming our promises and commitments to the fight against HIV and AIDS. This year's theme is "Stop AIDS: Keep the Promise". It is important that we take the time to focus our attention on the devastating impact of the HIV/AIDS epidemic and that we recall the promises made to help eradicate this disease for all citizens.

We need to remember that, around the world, more than 25 million people have died in the last 25 years of AIDS.

We need to remember that there are more than 38.6 million people living with HIV. We need to be reminded again of how this impacts the world in general and how it impacts our world here in the Yukon. Last week, 10 blocks of the AIDS memorial quilt were brought to the Yukon to help recognize National AIDS Awareness Week and World AIDS Day. One of those blocks represents the first Yukon First Nations individual to die of AIDS. He is not alone among Yukoners.

Today, Mr. Speaker, I reaffirm Yukon's promise to keep AIDS on our radar, to continue our efforts to educate, to raise awareness and support individuals living with the disease and to work in partnerships with communities, agencies and organizations to carry on this work.

Mr. McRobb: I rise on behalf of the official opposition to pay tribute to World AIDS Day. Mr. Speaker, allow me a moment to explain. As a further example of increased cooperation between the parties in this Assembly and in an effort to avoid repetition in a tribute that all parties wish to address, we in the official opposition will focus on identifying local events and recognizing people associated with the event on a local basis.

In Yukon, Blood Ties Four Directions is a Whitehorse-based organization that works to educate and support people who have blood-borne diseases such as HIV and hepatitis C. Patricia Bacon is the executive director and has stated that it has been an uphill battle to raise awareness and combat those diseases, which have affected as many as 1,000 people in our territory. To help raise awareness and support for AIDS, Blood Ties Four Directions collaborated with Frostbite and the Yukon Arts Centre to put on an AIDS benefit, which was held on November 27, with the proceeds going to AIDS support programs.

Blood Ties Four Directions has been able to bring portions of the international AIDS memorial quilt to the Yukon and the quilt will be on display at the Yukon Arts Centre until December 5. On Friday, December 1 -- tomorrow -- there will be a panel presentation ceremony at the Yukon Arts Centre at 3:30 p.m. This ceremony will be displaying the panels of the quilt made by local Yukoners, and family members will be speaking on behalf of the individuals the panels were made for. There are various displays around town with information and pamphlets focusing on HIV and AIDS awareness and prevention. In the communities, Blood Ties Four Directions has sent out packages including ribbons, posters and information pamphlets, which will enable communities to start awareness campaigns themselves.

The Outreach van, which was established in 2002, helps provide food, clothing, nursing, harm reduction material and counselling to street-involved children, youth and families. The van is staffed and maintained through the collaboration of Yukon Family Services Association, Blood Ties Four Directions, Kwanlin Dun First Nation and Yukon College.

All members of the Legislature are wearing their red ribbon today. It demonstrates our care and concern about HIV and AIDS and reminds others of the need for their support and commitment. World AIDS Day on December 1 is an opportunity for all Yukoners to unite in the fight against HIV and AIDS. It is up to you, me and us to stop the spread of these diseases.

Let us all pause a moment and remember those living with HIV and AIDS and those affected by this epidemic and those who have passed away.

Thank you.

Mr. Edzerza: In recognition of World AIDS Day, December 1, I rise on behalf of the third party to pay special tribute to those people who are personally involved with friends and relatives with HIV/AIDS.

I and my NDP colleagues in the House have experienced the pain of HIV/AIDS touching our families. We cannot overlook the fact that the devastation of this dreaded disease does not stop with its host victim, but continues on to disrupt the lives of grieving relatives and friends, leaving them with practical caring concerns and responsibilities.

We take this opportunity to extend our personal understanding and compassion to the families and friends of HIV/AIDS affected persons. You have a special role to play in combating this pandemic.

One of the hopeful avenues of caring that has been created to ease the pain of HIV/AIDS in Africa has been organized by the Stephen Lewis Foundation. Part of the foundation's activities is to assist orphans and other children affected by AIDS. In doing this it supports grandmothers who almost single-handedly care for orphaned grandchildren. These mothers of AIDS-infected sons and daughters work tirelessly to hold their families and societies together. At a time in their lives when they should be looked after themselves, they find themselves with a second generation to care for. It is an economic and emotional burden that we can hardly imagine. The grandmothers-to-grandmothers campaign of the foundation raises aware-

ness and mobilizes support in Canada for Africa's grandmothers. Today there are over 100 grandmother groups across Canada providing material and psychological support for grandmothers caring for their grandchildren in Africa.

We urge everyone to consider easing the burden on these heroic grandmothers.

Thank you, Mr. Speaker.

Speaker: Are there any further tributes?
Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Rouble: I ask all Members of the Legislative Assembly to help me welcome to our Assembly this afternoon the grade 11 social studies class from Vanier Catholic Secondary School and their teacher, Mr. Jud Deuling.

Applause

Speaker: Are there any further introductions of visitors?

Returns or documents for tabling.

TABLING RETURNS AND DOCUMENTS

Mr. Edzerza: I have for filing a document entitled *Building Yukon's Future Together: A Clear Vision for a Brighter Future*. For the record, Mr. Speaker, this document does not contain any reference to either in-patient psychiatric facilities or medical detoxification facilities.

Speaker: Are there any reports of committees?
Are there any petitions?
Are there any bills to be introduced?
Notices of motion.

NOTICES OF MOTION

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

THAT this House urges the Government of Yukon to make land available to Yukoners for community, residential, recreational, agricultural, commercial and industrial purposes while respecting the interests of existing landholders as one of the highest Yukon government priorities by streamlining the land process and ensuring that appropriate policies and administrative structures are put in place to manage Crown land in the territory.

Mr. Fairclough: I give notice of the following motion:
THAT this House urges the Government of Yukon to table the draft report on the education reform project and any associated position papers relating to it so that

(1) members of this House and all interested parties may have ample time to review the draft recommendations of the report; and

(2) the time required for implementing some or all of the recommendations of the final report will be shortened.

Mr. Inverarity: Mr. Speaker, I give notice of the following motion:

THAT it is the opinion of the House that

(1) the proposed climate change research centre promised by this government has nothing to do with combating the looming problem of global warming;

(2) the proposed centre is a research and development centre with the following objectives: to create a higher degree of economic self-sufficiency in Canada's north and to increase private sector growth by building capacity through investment in research, not to combat climate change;

(3) although the proposed centre may well bring economic benefits to Canada and Yukon, it is wrong to portray that it as anything other than what it is, a research vehicle for industry in the area of cold climate weather technology; and

(4) in the name of transparency, call it what it is.

Mr. Cardiff: Mr. Speaker, I give notice of the following motion:

THAT this House urges the Yukon government to begin immediately to honour the commitment in the Yukon Party election platform to review and amend the *Access to Information and Protection of Privacy Act* so that the process can benefit from the informed opinion of the current Privacy Commissioner regarding the strengths and weaknesses of the act and its administration before the expiry of his term; and

THAT the review process include an invitation to all persons who have requested access to records under the act since its inception to provide information in confidence regarding their experience with the act and its administration.

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

QUESTION PERIOD

Question re: Bonnet Plume Outfitters

Mr. Fairclough: Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I would like to follow up on the Bonnet Plume Outfitters question from yesterday, and I'm not quite clear on the time frame here. I think it's important to establish timelines. How long did the government know that these buildings were there? Who was made aware, and when was it decided to do something? I would like to ask the minister or the Premier, when was the minister first made aware of this situation?

Hon. Mr. Fentie: Although there may be relevance in the member's question as to when any individual, official or minister -- or anybody for that matter -- directly involved in this was made aware of the situation, the issue at hand is to deal with the situation, and that's exactly what the government is doing. The appropriate officials are involved. The issue, as I said numerous times on the floor of the House already, is that there are legal matters now being dealt with. Of course, the government will act in accordance with all the legal requirements that we are obligated to meet.

Mr. Fairclough: Well, Mr. Speaker, then why cannot the minister or the Premier tell us when they were first made aware of this? Yesterday, the Premier said in this House in reference to the issue, and I quote, "It is also in a legal action." If

there is an action, then it is presumably the mining company, the outfitter or this government that is initiating the action.

Will the Premier tell the House if it was the government, the outfitter or the mining company that initiated the court action? Will he also inform the House who is named in the action?

Hon. Mr. Fentie: There is a situation here that reflects a third party's interests on the said land base, including some assets therein. As I understand it, this was a mining company. What transpired there certainly is a situation that the third party wants to address. I will leave that matter in their hands. That is where it should be. As I said, the appropriate officials within the departments will do exactly what they are obligated to do on this matter. There may even be further legal action because, essentially, that's what due process is all about.

Mr. Fairclough: Again, the Premier would not tell us in this House whether or not the government has initiated court action. It is becoming quite similar to the child's game of button-button, who's got the button? Unfortunately, this is no game. As late as 3:00 p.m. yesterday, the Supreme Court of Yukon had no record of either the outfitter or the mining company initiating an action. If it is not these two parties and it is not the government, then to whom is the Premier referring? I will ask the Premier again: what legal action is the Premier referring to and how does it impact this situation?

Hon. Mr. Fentie: For the member's benefit, mere moments ago I expressed to him the understanding that I have and the government has with respect to that matter, given the third party involvement and the assets that were on this particular site.

I also want to point out to the member -- and this is a very important facet of good governance -- once due process has concluded, all information is available and all supporting documentation is available so informed decisions can be made. The government, through its legal services and lands branch, will be seeking application in the courts for a removal order. But that is when all available information has been determined -- or that we can assess that information and we can determine that course of action. We are not going to jump to conclusions; we are not going to pre-empt due process. We are going to following that process. Once it is done, then the legal services branch and the lands branch will be seeking court order for removal.

Question re: Bonnet Plume Outfitters

Mr. Fairclough: I have a question again for the Minister of Energy, Mines and Resources on the matter of the Bonnet Plume Outfitters and the construction of buildings on the Bonnet Plume heritage river. A reasonable person would assume that, when the Department of Energy, Mines and Resources became aware of the illegal construction of these buildings, they would have contacted the outfitter and simply asked them to remove them.

My question is this: has the government contacted the outfitting company and, if so, what specifically were they asked and what, if any, was their response?

Hon. Mr. Fentie: Considering reasonable people always conduct themselves in a reasonable manner, that's exactly

what the government has done. It has asked the outfitter in question to provide evidence that they have legal standing on this particular site; otherwise, they are to cease operation or occupation immediately. These things have been done, and this is all about due process, which I keep relating to the member opposite.

Mr. Fairclough: Yesterday the Premier made a point of distinction between a legal opinion and a legal ruling, when answering my question about the Bonnet Plume Outfitters. Yes, the Premier is quite right that there is a clear difference, and we understand that opinions precede a ruling.

I have to ask this question then: what opinion, if any, was given to the government on this matter, and has action been filed?

Hon. Mr. Fentie: I think what we're doing here is a process that is a to and fro, which will conclude in nothing. The facts are that there is a distinct difference between opinion and ruling. Governments cannot simply evict people or take appropriate measures on matters simply on opinion. In many instances, court rulings, justice rulings, are required and that's the crux of this issue.

However, the member opposite has asked a question that essentially is out of order, if we look at our Standing Orders, but I'll ignore that. I will respond again by saying, with all the mechanisms we have available as government, the department and the appropriate officials are acting. Just mere moments ago, I referenced the fact that there has been a request to the outfitter in question to provide all evidence of legal standing for occupation on this site. If they cannot, they are to cease occupation. I couldn't be more clear.

Mr. Fairclough: Mr. Speaker, I would like to table a letter from government's legal counsel to the outfitter here.

Section 18(1) of the *Territorial Lands (Yukon) Act*, 2003, permits Yukon's Minister of Energy, Mines and Resources' designate or the director of lands branch to apply to the Supreme Court of the Yukon for a summons directing they show cause or immediately vacate the lands in the event that the minister is of the opinion that a person is wrongfully or without lawful authority using, possessing or occupying territorial lands and that the person continues to use, possess or occupy or fails to deliver the possession of the lands.

Mr. Speaker, can the Premier confirm whether there has been a proceeding undertaken under clause 18(1) of the *Territorial Lands (Yukon) Act*?

Hon. Mr. Fentie: Mr. Speaker, what have I just said? Earlier on in this line of questioning I clearly stated to the member opposite that once all the documentation and information has been provided, legal services branch -- and I repeat, legal services branch -- and lands branch will be making application to the courts for a removal order, but that will be done based on an informed decision. That is why we will allow due process and all information to be made available to those who bear the responsibility of making these kinds of decisions. I would hope that the members opposite, should they be in government one day, would follow that course.

Question re: Canada Winter Games, athletes village

Mr. Cardiff: Mr. Speaker, I would like to pursue a matter I raised two days ago with the minister responsible for Yukon Housing Corporation. I am referring to the building at Yukon College that the Yukon Housing Corporation will be operating after the Canada Winter Games. The minister is quoted in the local newspaper as saying, "There are no concerns about the zoning. They have it under control." Yet according to the city's manager of planning and development services, that seems to be anything but the case.

Will the minister explain the obvious discrepancy between his understanding of the zoning and situation and the city's?

Hon. Mr. Kenyon: For the member opposite, the present zoning of the entire area from Mountainview Drive and Range Road to McIntyre Creek South to College Drive is PS, or public service. This area included Yukon College and its existing student residences as well as the Whitehorse Correctional Centre. PS zoning, for the member opposite, allows for the construction of institutional services, including structures built for public use and particularly, and I quote, "government buildings". This is the present zoning on the entire site, and both buildings are in fact government buildings.

Mr. Cardiff: I don't disagree with the minister, but the fact of the matter is that it is a multi-residential building. That's going to be the end use of that building, and it's not going to be a government building; it's going to be a Yukon Housing Corporation building. One of the minister's officials was quoted in the same paper saying there is no urgency in this; it's a government building built on government property. The project manager is quoted in the same article, saying that both athletes village buildings are government buildings and allowed under public service zoning. According to the city's planning manager, that's simply not so. As a multi-family residence, the Housing Corporation building does not fit the current zoning.

Is the minister acting under the impression that the City of Whitehorse rules don't apply to the Yukon government or the Yukon Housing Corporation? Because that's how he and his officials have been coming across.

Hon. Mr. Kenyon: From the outset, the end use of the southern building is to be determined by the Yukon Housing Corporation Board of Directors.

The Yukon Housing Corporation has multiple client levels, including social housing, affordable housing, seniors housing and housing needs for persons with disabilities. Student accommodation needs may also fall under the affordable housing category.

As well, the basement of both buildings is not planned for residence. It's planned for multiple uses, and those uses are to be determined by the college and by the Yukon Housing Corporation. Once those uses are determined, then it makes sense to go and look at the appropriate zoning and how they can be used. At the present time, though, it would appear that City of Whitehorse staff has a better crystal ball than we do.

Mr. Cardiff: Mr. Speaker, the minister stood in this place two days ago and said that the Yukon Housing Corporation hasn't even decided how this building will be used; he just repeated that. He repeated it in the paper and he repeated it

today. Yet, on February 27 of this year, the minister sent me a letter on this subject, which I will table. I have provided copies to the Clerk. The letter spelled out that there would be 44 rental units and four social housing units at the athletes village, with a total of \$3.5 million from the affordable housing program. Why is the minister now saying that a decision hasn't been made when he signed a piece of correspondence to me nine months ago that says otherwise?

Hon. Mr. Kenyon: Again, the decisions on this are made by the Yukon Housing Corporation Board of Directors. They are not political decisions. That was the thought of the day -- that that probably would be the use. It may well be the use in the future, excluding, of course, the basement, which is the other part of this.

Again, there is a significant amount of space in those basements and once the end-use client group has been selected for the Yukon Housing building -- and the desired final uses for the basement space in both buildings -- then the zoning amendment will be applied if it is necessary. Those discussions are going on between the Yukon Housing Corporation and the City of Whitehorse. I would suggest, for the member opposite and for those listening, that city staff should perhaps be aware of the fact that the territorial election has already concluded.

Question re: Canada Winter Games, athletes village

Mr. Cardiff: I would like to say something, but I don't think I can.

I would like to follow up with the same minister on the same subject. We are quite aware, as the minister correctly pointed out the other day, that the initial cost estimate for the athletes village did not originate with the Yukon government. So I am not going to dwell on the \$3-million figure; that is ancient history. The minister, however, is certainly not responsible for the deal between the Premier and the former Mayor of Whitehorse who bumped the cost of the athletes village into the stratosphere. It was \$34.4 million and counting the last time we looked. However, as the owner of one of those buildings, Yukon Housing Corporation has a stake in making sure that the taxpayers get value for their money. How long does the minister expect the corporation's building to remain vacant while the zoning problem is being resolved and how much will it cost taxpayers in terms of lost revenue?

Hon. Mr. Fentie: At all times, we must ensure the public record is factual. The arrangement between government, the City of Whitehorse and the host society is the result of a request that came to the government because there was no way for the host society to deliver any sort of facility that would house the athletes for the Canada Winter Games. I want to put that on the public record and make it very clear. We were asked to assist.

The arrangement we then reached included a contribution from government, from the City of Whitehorse and from the host society due to the budget item they had for an athletes village -- which, by the way, was less than \$3 million. Anyone who would do the arithmetic on the space requirements to house 1,800 athletes a week for two weeks, in reasonable conditions that must meet the standards of Canada Winter Games

and all that goes with it, will quickly come to the conclusion that less than \$3 million will never reach the mark.

What we chose to do was build facilities for our college, and that's what we delivered.

Mr. Cardiff: Let's assume for a minute that the Housing Corporation applies immediately for the necessary zoning change, in spite of the fact we're asked to believe there's no urgency to this matter. Let's assume the application is successful, in spite of the fact that the Yukon government can't just expect the City of Whitehorse to roll over and do its bidding.

Even with those two assumptions, we're still looking at a process that's fairly lengthy. It could take four to six months, according to the city. In other words, there may be no tenants in that building until late spring or summer of next year. How can the minister responsible for the Yukon Housing Corporation justify that kind of delay in realizing any revenue from a building that has millions and millions of tax dollars invested in it?

Hon. Mr. Kenyon: Yes, I have to agree; it is called vision. I would remind the member opposite, who has been through the facility -- and if he had been listening during that tour -- he would realize that there are parts of the kitchen that aren't installed, there are refrigerators that aren't installed, there are temporary barriers in all of the rooms in all of the apartments in order to give privacy screens to the athletes, et cetera, et cetera. There are extensive boilers to allow for the very large number, we hope, of showers for the participants that won't be needed in the end use. There have been modifications to the building that will have to be changed slightly and finishing work to put in there. That will take several months -- end of March. A couple of months to do that bring us within the time frame that the member opposite estimates. It allows proper planning by the Yukon Housing Corporation Board of Directors. I am very happy with their work on that. Obviously the member opposite isn't.

Speaker's statement

Speaker: Order please. Before the honourable member asks his next question, over the last couple of days I have been reminding the members about personalizing debate. I would like everybody to consider that in their questions and in their answers, please.

Mr. Cardiff: I won't waste the Legislature's time debating the definition of "affordable housing" with this minister. We know his point of view on that and will save that one for another time.

What I would like to do is go back to the letter that he sent me in February, which I just tabled.

Forty-four rental units valued at \$3.2 million under the affordable housing program and four social housing units valued at \$300,000 -- even before the cost overruns, the Yukon government's contribution to the athletes village is pegged at a whopping \$28.7 million. My question is: what portion of that money, if any, is from the \$50-million northern housing trust? If any of it is from that source, what discussions have there been with Yukon First Nations about using it for that purpose?

Hon. Mr. Kenyon: Mr. Speaker, the easy answer to that question is that not a penny has come from that \$50 mil-

lion. But again, for the member opposite, given the budget that we have, the total cost of the facility comes in at \$225 per square foot. Having had our Yukon Housing Corporation Board of Directors and our staff go through and having had the Nunavut and Northwest Territories housing corporations go through, with their staff and their consultants, they advise us that, for the type of building that we built, \$225 per square foot is actually in the low end of the construction capabilities, especially considering the modifications that we had to make in terms of privacy screens, extra facility for showers and this sort of thing. So we're very pleased with that, and I understand from the project manager that we are actually under budget at this point in time and that the entire project will come in under budget. We're very proud of that, and I commend the good work of the Yukon Housing Corporation and the board of directors and the staff, who have done just an incredible job on this.

Question re: Bonnet Plume Outfitters

Mr. Fairclough: Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Has the minister in his capacity as Minister of Energy, Mines and Resources met with any outfitting companies or their representatives during the past number of years?

Hon. Mr. Fentie: Well, Mr. Speaker, day 5, and here we go. But let me say it this way: any minister on this side of the House follows to the letter the direction, recommendation and advice, first and foremost, of the Conflicts Commissioner. I would suspect, though, in a small jurisdiction like the Yukon, any individual can meet and talk with any other individual in this territory at any given time.

On an official basis, however, I have met with the outfitting industry on a number of occasions, and I intend to meet with the outfitting industry on many more occasions into the future. We as a government recognize the role that the outfitting industry plays. We recognize that they are stewards of the land and our wildlife. Mr. Speaker, not always are individuals out there living up to their responsibilities. The matter we've been dealing with in the House today is a reflection of that, and that's why the government is dealing with that particular issue in the appropriate way. So if there are any inferences here, I would encourage the member opposite to recognize that this is not the way to handle such inferences.

Mr. Fairclough: I'm just trying to get an understanding here of why, day after day, the Premier jumps up when I ask a question of the minister responsible. So please, Mr. Speaker, don't tell me it's because of a possible conflict. That was the line that government took in the last Legislative Assembly.

My question is to the Premier this time. Why did the Premier appoint a minister to a portfolio, knowing very well he was in a position of possible conflict?

Hon. Mr. Fentie: As I said moments ago and will not repeat, we appoint ministers to portfolios and ministers will also deal directly with the Conflicts Commissioner on all matters, as they should and will continue to do, to ensure there is never a perception or real conflict of interest, because that is simply inappropriate.

Why am I standing and answering questions on these matters? Because that's the way the government must conduct its business, based on the advice and recommendation of the Conflicts Commissioner -- case closed.

Mr. Fairclough: In light of the fact the Premier did appoint a minister to a portfolio when the Premier himself knew very well there was a problem, will the Premier acknowledge that the present Minister of Energy, Mines and Resources cannot fully do his job because of the possibility of conflict, and will the Premier agree to shuffle his Cabinet so we can have a minister who can be held accountable in this Legislative Assembly?

Hon. Mr. Fentie: The first shuffle should be the critic role, Mr. Speaker.

At the end of the day, yes, I appointed a minister to a portfolio and I did it again -- not only in the last mandate but in this mandate, because the minister does a good job. Secondly, the Yukon public, a few weeks ago, voted for stability; this is a reflection of stability. Lastly, there is no conflict, real or perceived, and we as a government are following the advice and the direction of the Conflicts Commissioner.

Question re: Highways and Public Works, personnel recruitment

Mr. McRobb: The Department of Highways and Public Works currently employs several hundred full-time employees and casual workers in positions ranging from janitors to office workers to grader operators. It's no secret that a large portion of this department's workforce is on the verge of retirement. Finding replacement workers will be tough within the harsh climate of a labour shortage. Perhaps that explains the government's secret privatization efforts and increased propensity to contract out work normally done by government workers.

May I suggest that a sensible recruitment strategy to attract new workers might start by presenting good basic values such as respecting a person's dignity? Surely the Highways and Public Works minister must recognize that, mustn't he?

Hon. Mr. Lang: In answering the member opposite, the department works on a daily basis and, of course, we do have issues with people retiring, but the department does its job and is working toward filling any holes that are in the system. As far as privatizing anything, this government is not privatizing Highways and Public Works, Mr. Speaker.

Mr. McRobb: Not long ago I was contacted by a neighbour in Haines Junction who was worried that applying for work at a government highway camp would breach her dignity and good reputation. Being curious, I investigated and found an employment job office posting that I will file with the Clerk now, Mr. Speaker, for a casual job that starts tomorrow at the Yukon government highway camp at Blanchard River. Applicants were directed to appear with resumé in hand at -- brace yourself, Mr. Speaker -- the Adult Warehouse in Whitehorse. Imagine that. Just what is this Highways and Public Works minister up to? Does he believe it is proper to require our citizens to go looking in a sex shop for a job at a government facility?

Hon. Mr. Lang: I stand here in amazement, Mr. Speaker, that we would get to this level of dialogue. This is ridiculous.

Mr. McRobb: Mr. Speaker, this minister has some explaining to do. Substituting a sex shop as a government employment office sends the wrong message to the public, which looks to government for leadership. I am concerned about where this might lead our society. Let's take stock of what has happened on our streets so far under this government's watch. Early on, the Hell's Angels motorcycle gang moved here. Soon after, the first gang-related murder occurred. Crack houses overwhelm neighbourhoods. Then we heard about homeless teens and couch surfing. More recently, we heard about trading sex for rides. Grow operations were uncovered in a modern residential area. New dangerous street drugs such as crystal meth and ecstasy appeared. Citizens formed vigilante squads to chase drug dealers from local bars. Why is this government contributing to this moral decay by sanctioning the use of a sex shop as an employment office?

Speaker's statement

Speaker: Order please. The Chair is not comfortable with what is not necessarily an accusation, but more of a supposition that the government is contributing to moral decay. That goes beyond the parameters, from the Chair's perspective, of a question that dignifies this Assembly. I know that wasn't the member's intention, because I understand that he is an honourable person; however, I would just like the member to keep in mind that this is the Yukon Legislative Assembly and we are here to do the people's business -- the government side as well. The Hon. Premier has the floor.

Hon. Mr. Fentie: Mr. Speaker, I will respond to this last supplementary, because I would not want to subject any minister of this government to having to stand and dignify this kind of a question with an answer.

There is no answer to this question, because it is absolute rubbish and has no place in this institution and the station of office that we all hold.

Speaker's statement

Speaker: Order please. Now we're into the issue I spoke of earlier, which was personalizing debate. These kinds of issues lead to this debate being personalized, and I would ask all Members of the Legislative Assembly to bear their responsibility individually.

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

ORDERS OF THE DAY

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair: Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 31, *Act to Amend the Income Tax Act*. Do members wish to take a brief recess before we begin?

Some Hon. Members: Agreed.

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

Recess

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

Bill No. 31 -- *Act to Amend the Income Tax Act*

Chair: The matter before the Committee is Bill No. 31, *Act to Amend the Income Tax Act*. We will now proceed with the general debate.

Hon. Mr. Fentie: Bill No. 31, *Act to Amend the Income Tax Act*, is indeed a beneficial piece of legislation, or amendments to legislation. My remarks in second reading explained the purpose of this bill in some detail, so I will be brief at this point. As stated, this bill's prime purpose is to bring our *Income Tax Act* into line with the federal *Income Tax Act* as a result of changes to Canada's legislation.

As members are aware, our *Income Tax Act* as well as that of most other jurisdictions, generally mirrors the federal *Income Tax Act*. Consequently, when Canada amends the federal *Income Tax Act*, ours must similarly be amended.

Canada's recent changes affect the non-refundable tax credits as well as the dividend gross-up amount and corresponding dividend credit. This bill recognizes these changes and ensures our credits mirror those at the federal level. Without this bill, as I said yesterday, Yukoners would be paying more income tax.

Second, this bill streamlines our *Income Tax Act* to ensure it will continue to offer the same non-refundable tax credit block as the federal government into the future.

This bill also restructures the low-income family tax credit. As a result, and this goes back to recent debate, I am pleased to advise that Yukoners receiving low-income family tax credit will not have their credit reduced as a result of receiving the universal childcare benefit from Canada.

Finally, this bill corrects some minor errors in the current *Income Tax Act*. Yukoners will benefit from these changes when they file their 2006 tax returns.

As stated in second reading, the cost to the Treasury is expected to be \$1.7 million for the 2006 tax year and \$2.6 million for the 2007 tax year. Mr. Chair, we have passed similar bills, so at least some of the members will be familiar with the almost incomprehensible wording of the act itself. However, despite this, I am prepared to address questions of a general nature that members may have, prior to clause-by-clause review and debate.

Mr. Fairclough: Mr. Chair, we on this side of the House -- the official opposition -- do not have a problem with

this bill. We are in favour of it. We understand that it reflects changes to the federal government *Income Tax Act*. We will be voting in favour of this bill.

Mr. Cardiff: We, too, understand the purpose and intent of the bill. We don't have much of a problem with it. The Premier clarified something I already understood. I understand that the low-income family tax credit is not affected in any way by the universal childcare benefit offered by the federal government.

When I look at this -- and I need to go back to my second reading comments -- on the face of it, yes, it puts money back into the hands of Yukon people, and that's not a bad thing. The money in the pockets of Yukon people goes around in the economy, and that's fine. It provides a benefit to a lot of people. Hopefully it will result in more jobs and more employment for people in the workplaces in the territory.

But when you look at this, these tax credits and benefits largely accrue to people who have jobs. They have the basic personal exemption; there are eligible dependants; pension deductions have doubled, and that's great for people who have jobs where they are able to contribute to a pension plan. There are a number of people in Yukon society who don't have the opportunity to take advantage of something like that because they don't have pension plans.

They don't work in workplaces or have employers that necessarily have a pension plan that they can contribute to. The Premier will stand up and say, "Well, you know they can go and buy RRSPs." But when you have, because of your level of income, a problem getting adequate housing, getting food and putting it on the table for your children, and when your children have to sell chocolate bars to participate in the education system, they don't have money to put into RRSPs. That doesn't give them any benefit.

One thing I would say is that I like the idea of the public transit tax credit because I think it promotes better use of the public transit system, and that has been in the media lately. With this government's emphasis on how important it is to address the issues of climate change, I think the increased use of public transit will benefit not only taxpayers but it will benefit our environment.

There's another one, and this one is new: an employment tax credit. That's great. I applaud that. But it is only great if you've got a job. If you don't have a job, it doesn't do anything for you.

Now, I'm going to remind the Premier one more time -- I said this yesterday in second reading. Both the Premier and the leader of the official opposition, during the most recent election campaign, used a quote by Tommy Douglas and the quote goes -- and I still haven't gone and got the quote because I've got lots on my plate too. Effectively the quote is that society, and henceforth governments, are judged by how they treat their least fortunate citizens.

While this bill doesn't affect in any way the low-income tax credit, the universal childcare benefit doesn't affect the low-income family tax credit, and that's a good thing. I can see the benefit in that, but the low-income family tax credit is only \$300 a year, and there is no reason why something like an in-

crease in the low-income family tax credit could not have been included in this bill. It would make sense to me. If the Premier really believes that he is going to be judged, along with his ministers and his House leader -- who is responsible for Health and Social Services -- by the people who are on social assistance or require services from Health and Social Services because they are low income, it would make sense. We are giving tax credits to people who are making anywhere from zero, but it's not applicable to them. If the threshold for the low-income family tax credit is \$30,000, which is what I was led to believe, then most of these tax credits affect people who make anywhere from \$30,000 to the sky's the limit.

What can we do to help the least fortunate in our society? There are a number of things. I understand that Revenue Canada has rules, and they administer the *Income Tax Act*. They administer our income tax system as well, and if we deviate from their practices and remove the tax from the universal childcare benefit, they are going to scream and say, "You are making it hard on us, and the administration of this is going to cost a fortune. Darn, it benefits people who need it the most."

I guess one problem I have is, I guess, basically we're relying on whatever government is in Ottawa to change our tax regime. That's great, in this instance, for people who have to pay tax. There are benefits that are going to accrue to them, and they're going to accrue to our economy. I know that's where the Premier is going to go. Again, there was an opportunity here to not only benefit those people but to benefit the least advantaged people in our society, those people who work at jobs that are low paying, people who work two or three part-time jobs -- maybe they end up working 30 hours a week, maybe they end up working 60 or 70 hours a week. They don't have the time to even cook supper for their children because they're too busy making money to buy the food and pay the rent. The Premier should listen to what I'm saying.

I would be willing to stand down. I don't have the resources or the legal counsel that is available to the Premier, but I would really appreciate it if the Minister of Finance and the Premier would take one more look at this. We can deal with this. We've still got all of next week and three days the following week to deal with this. Let's stand down now. The Premier and the Minister of Finance can bring in an amendment. Let's increase the low-income family tax credit.

Let's figure out what an acceptable amount would be. We are doubling the pension benefit. We have an employment tax credit. We have public transit tax credits. We have adoption tax credits. Why can't we take a couple of days more? The Premier has the resources. We could draft an amendment and increase the low-income family tax credit so that the Premier can be judged by his words and by the words of the leader of the official opposition and by the words of Tommy Douglas.

Hon. Mr. Fentie: Well, Mr. Chair, I certainly recognize the passion that the Member for Mount Lorne brings to this Assembly and his absolute dedication and commitment to Yukoners, especially those who may be challenged or less fortunate than others. No one will ever dispute that when it comes to the Member for Mount Lorne's stand on issues. We all, in this House, commend him for it. We will continue to commend

the member for how he conducts himself and how he represents his constituents and indeed all Yukoners.

But, Mr. Chair, we have to put this whole bill and its amendments into context and recognize that the amendments we have brought forward, first and foremost as I have explained, are mirroring federal amendments. If we do not do this, all Yukoners who are eligible here, regardless of what area of taxation may be affected, would not be getting this benefit. Now, there may be some assumptions by the member about what this bill does. I would like to delve into these somewhat with the member.

The member stated that low-income wage earners would not benefit from this amendment. I would like to point out to the member, with all due respect, that there is a benefit for any income earner with this amendment, regardless of level of earnings. There is a basic personal amount that is an increased deduction here for wage earners. There's a benefit across the spectrum when it comes to all who are employed and all who are earning a wage.

We must also reflect on something: though we try to capture, to the greatest extent possible, benefits for all, there are other methods besides taxation measures and amendments to legislation that governments must do and continue to do, to address and assist those in our society who require that assistance. I think it's fair to say that all governments, past, present and future, will continue to make that commitment at various levels of priority.

I will say that over the last four years the Yukon Party government has unequivocally demonstrated a clear, strong and totally committed social conscience to those in need in this territory. The list is a long one. It begins with seniors, those with disabilities, children, First Nations, others who may require housing and other forms of assistance, students -- the list of caring for Yukoners and strengthening our social fabric is extensive and one that we, on this side of the House, stand proud of, in terms of our ability to deliver.

No one, Mr. Chair, can dispute the evidence, but that does not say there is not room for improvement, and that is not what the government is positioning itself on. There is always room for improvement, and we demonstrated that in our vision for Yukon and its future. It is all about tomorrow, because we as a government recognize that there are more areas that we can improve on and more ways that we can continue to assist Yukoners, regardless of the walk of life that they may be on.

Also, we have to look at other areas of our taxation that I want to point out to the member. I'll give just one example of where benefits are happening, and this is for seniors. I would suggest to the member that he recall other amendments that this government has brought forward. This would include seniors and a \$1,000 increase to those who are over 65 years of age, which came into effect for 2006. That's a previous amendment that assists seniors, and I think we all recognize that we owe a great deal to our elders and our seniors and must do everything we possibly can to ensure that their quality of life meets that commitment and certainly returns to them, at least to some degree, what they have already provided for us here in Yukon.

So I don't for a moment say to the Member for Mount Lorne that this is it, we've made these amendments and now we have delivered on looking after those individuals in our society who may be challenged for whatever reasons and who may require assistance. That is not the case. This is merely one step in an ongoing process of dedication and commitment to make Yukoners' lives better.

So, Mr. Chair, we will see in this Legislature over the course of the mandate a number of initiatives as we go forward that will directly impact the quality of life for those less fortunate, and we intend to each and every day work on initiatives that will accomplish exactly that.

So, I accept, Mr. Chair, the support of the members opposite for these amendments. I think the members recognize that this is a good initiative. This will provide benefits to Yukoners. It's significant in terms of its value of \$4.3 million over the next two years -- resources going back into Yukoners' hands. For those who really, really need something like this, I know this will help them in addressing some of their needs because it gives them more disposable income.

All in all, I want to assure the House that this will not be the last initiative that this government brings to this Assembly to address quality of life, increasing benefits, delivering on our social needs in this territory. There will be many, many more.

Mr. Cardiff: Well, I hear what the Premier is saying, and here we go. The Premier is talking about the basic personal amount as far as your exemption goes. According to the press release, it would increase to \$8,839 from \$8,328, increasing the credit from \$622 from \$586. Do the math, Mr. Chair: \$36. How much Kraft Dinner can you buy for \$36?

He talks about seniors, and I don't have a problem with that. Seniors have done their service to society, and they do deserve to receive some benefits. Sooner or later, we are all going to be seniors -- some of us sooner than others. We have a pretty broad age range in here now and that is good to see. We will all be seniors and we will all be looking for benefits and for paybacks for our service to society and our community. That's great. The government seems reticent. I think they have finally come around to saying that they will look at increasing social assistance rates for food and housing.

He talks about benefits to First Nations. In my response to the Speech from the Throne, I explained to the Premier that it might have been simpler to have listened to what some First Nations are saying and what anti-poverty groups and NGOs and agencies and other governments are saying about increasing social assistance rates.

This *Act to Amend the Income Tax Act* is just another vehicle for the Premier to live up to his words that he used during the election campaign. He is going to be judged, and every Cabinet minister and official on that side of the House is going to be judged, by how they treat their least fortunate citizens.

What I am asking for I think is pretty simple, but maybe I don't totally understand it. He is right when he says it is pretty hard to read. It is not an easy piece of legislation to read. You need the other piece of legislation -- the one we are amending -- that goes with it and you probably need a couple of tax lawyers to help you read it.

Those people would probably get lots of benefits from this bill. I am sure that there is a spot in this piece of legislation where the Premier could amend it so there is an increase in the low-income family tax credit. If the Premier doesn't want to do it, I will accept something else from him today -- how about a commitment? And the other thing is that I suppose he is saying that if we delay this for five days, the benefits won't accrue. I don't agree. If it is amended and passed before December 13, the benefits will still accrue. Nobody will suffer. There will still be \$4.3 million of tax credits that will accrue to all Yukoners. If we increase the low-income family tax credit to \$500 or \$600, what is that going to cost? It will not be a big cost to the government or the taxpayer. The government is pretty flush. There is money in the bank, as the Premier keeps telling us, and it is because of their good fiscal management, so why can't we do that?

As I said, if the Premier isn't willing to do this because he feels this has to pass expediently and has to be done by the end of the day, so be it. I am willing and prepared to accept from the Premier and Minister of Finance a commitment that on the first day of the next sitting in the spring, he will table an amendment to the *Income Tax Act* that increases the low-income family tax credit to at least \$500 a year.

I don't think that's a lot to ask. I don't think there's anybody in this Legislature or anybody in the Yukon who would disagree with that.

I'll sit down and listen to the Premier's response. Basically I just want a yes-or-no answer to whether or not he's prepared to amend the bill before the end of this sitting -- or the other option I gave him, which is a commitment that there will be an amendment drafted. That gives him lots of time. I'm sure his officials could probably draft it with one hand tied behind their back before Christmas.

I'm prepared to accept a yes-or-no answer on both questions. I don't have any further questions for the minister or the Premier and I thank him for his time.

Hon. Mr. Fentie: Though I'd like to accommodate the Member for Mount Lorne, always given his absolute dedication and commitment to those in need, as I stated, it's not something we can do with this particular bill. These amendments are federal. These are amendments that the federal government brought forward and we are mirroring those amendments so Yukoners are not left out. Many Yukoners will benefit. Regardless of the fact there are so many other measures out there already and many more things we can do, there will be a benefit for Yukoners from all walks of life. In some cases, these amendments really make sense, as the member pointed out -- public transit, education, or for those who choose to adopt, they will also receive some benefits.

This is an advancement of what has been an ongoing process in Yukon and in the country, because Canada and indeed the Yukon have demonstrated to the global community that we are a country, a federation, with a very heightened and strong social conscience, which I think has been displayed in Yukon over recent history.

One would only have to go into the budgets of the last four years. Any individual would quickly come to the conclusion

that there has been tremendous advancement in strengthening our safety net, whether it be in family and children's services, social services and the many programs for alcohol and drug education and prevention.

Today we were discussing detoxification, vis-à-vis motions. Well, Mr. Chair, this government created a detox centre by reopening Crossroads. And let me remind the members opposite that in many cases in our communities, our hospitals, by referral through doctors or medical professionals, serve as detox centres. There is not a void here; there is merely the challenge of improving, and that is exactly what this government intends to do. To answer the yes-or-no question: no we will not amend this bill, because we would have to go to Canada to get them to amend their legislation once again. That's a fact of life, because when it comes to the tax regime, it's Revenue Canada that sets the markers. As far as what's coming, I will commit to the Member for Mount Lorne that in any and all areas where the government can, we will deliver, to the greatest extent possible, initiatives that will strengthen our social fabric. We will do so.

Mr. Cardiff: Maybe the Premier can explain this. The minister is saying that this is federal legislation. Have we got absolutely no control over our own *Income Tax Act* and our own income tax measures? We control the tax regime for fuel tax here. We control the tax regime on cigarettes. We have our own territorial tax.

The Premier is saying that our income tax system is at the whim of the Minister of Finance in Ottawa. That is fine if you have somebody in Ottawa who has a social conscience. But look at who is there now and listen to what they have said for the past 10 years. God help us if they get a majority, that is all I can say, because they will cut just about anything. They are all about fewer services to the less fortunate. Their philosophy is 100 percent opposite to Tommy Douglas and the NDP, and those are the words that the Premier was using.

Surely there has to be a way whereby the government and the Yukon public -- I mean we are representatives of the Yukon public, and we should be doing their bidding. As I said, I don't think there is anybody who is going to begrudge people who make less than \$30,000 a year another couple of hundred dollars so that they can put food on their tables. That is less than a dollar a day per family. I just don't understand the unwillingness to commit to something like that.

The Premier thinks that they have done really well on the social side of the ledger. That is why we have childcare workers and parents demonstrating in the streets about childcare wages. That is why we have NGOs and groups who are trying to fight poverty. That is why we have soup kitchens. That's why we need shelters. If we address the problem, some of those things will go away.

I would like some clarification on just how much control we do have as legislators. We're the ones that are supposed to make the laws that affect Yukon people, not somebody in Ottawa. That's what devolution and responsible government in the Yukon were about. It was so we could take responsibility for our own destiny and look after our own people. We can't even see fit to look after the least fortunate in our society. We can't

amend our own *Income Tax Act*, the way the Premier put it, without the permission of Revenue Canada. We have to wait for them to raise the low-income family tax credit in order that we can do it. I'm not prepared to go on bended knee to Ottawa, because that would be a hopeless endeavour. They are not going to listen to that; I can almost guarantee it. We should be taking responsibility here, now, for those people.

I would hope that the Minister of Finance can explain why we don't have control over initiatives like that. Why do we have to wait for Ottawa to do what's right when we can do what's right, right here, right now and at the very least by the end of March next year? The problem is that by the end of March next year we will be in a new tax year so it won't benefit those people. They'll have to wait another 365 days before it even provides them with any benefit.

If the minister or the Premier could explain that, I would appreciate it.

Hon. Mr. Fentie: Mr. Chair, simply put, the member's dissertation is not the way it works. No one has said that Canada controls our tax legislation or regime. What we have said is that we have amended Yukon's tax regime to mirror the federal regime. If we do not do so, Yukoners will not realize the benefits that all other Canadians will be receiving. That is what the government has said; however, we also pointed out that Revenue Canada sets the markers in certain areas. That is not to say that we do not have the latitude to do many other things. We will do those things in many forms, not just a few dollars that may flow to individuals with respect to tax breaks.

If we want to delve into the budget for 2006-07, there have been millions of dollars invested throughout this territory to assist Yukoners in many walks of life, be they children, seniors, families, those suffering from ailments or those afflicted with addictions -- the list goes on and on. I think if the member is standing on the floor criticizing the government for not doing enough, the government accepts that criticism. Should the member opposite ever have the opportunity to be in government and be challenged with the responsibility of delivering programs, we now know that the member's bar is set quite high. Of course, Yukoners and others would be holding the member accountable.

That occasion may come one day. Today that is not the way it is. We as a government have made clear commitments to the Yukon public on how we intend to deal with and assist those who are in need, and it is extensive. That's a debate the members opposite should take to specifics, and that's why we have ministers and line departments, because the detail is extensive. I would remind all members of the House that this is a debate that is general in nature, so I will be very general in my comments.

Do the amendments of Bill No. 31 affect, to the greatest extent possible, as many Yukoners as it can in a positive way? Yes, they do. Can we do more? Yes, we can. Will we do more over the course of this mandate? Yes, we will.

The Yukon is a place well known across this country for the strength of its social fabric and how governments and citizens pay that special attention to those in need, and we will continue to do that. As Yukoners, we stand proud by that and it

is certainly something we can hold up to the rest of this country. Whether Yukoners are First Nation, children, seniors, elders, adults, young adults, teenagers -- regardless of what walk of life, regardless of their challenges -- we stand ready to help.

Mr. Cardiff: I thank the Premier for clarifying that. We do have the ability to make the changes I would like to see. It is the government's responsibility to govern and they'll choose how they govern. The Premier and the Minister of Finance have explained very well how that works.

I have no further questions. If there's no objection, I would request unanimous consent to deem all clauses and the title of Bill No. 31, *Act to Amend the Income Tax Act*, read and agreed to.

Unanimous consent re deeming all clauses and title of Bill No. 31 read and agreed to

Chair: Mr. Cardiff has requested the unanimous consent of the Committee to deem all of the clauses and the title of Bill No. 31 read and agreed to.

All Hon. Members: Agreed.

Chair: There is unanimous consent.

*Clauses 1 to 9 deemed to have been read and agreed to
Title agreed to*

Hon. Mr. Fentie: Mr. Chair, I move that Bill No. 31 be reported without amendment.

Chair: It has been moved by the Hon. Minister of Finance that Bill No. 31, *Act to Amend the Income Tax Act*, be reported without amendment.

Motion agreed to

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

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

Motion agreed to

Speaker resumes the Chair

Speaker: I now call the House to order.

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

Chair's report

Mr. Nordick: Mr. Speaker, Committee of the Whole has considered Bill No. 31, *Act to Amend the Income Tax Act*, and directed me to report it without amendment.

Speaker: You've heard the report from the Chair of Committee of the Whole. Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

GOVERNMENT BILLS

Bill No. 31: Third Reading

Clerk: Third reading, Bill No. 31, standing in the name of the Hon. Mr. Fentie.

Hon. Mr. Fentie: Mr. Speaker, I move that Bill No. 31, entitled *Act to Amend the Income Tax Act*, be now read a third time and do pass.

Speaker: It has been moved by the Hon. Premier that Bill No. 31, entitled *Act to Amend the Income Tax Act*, be now read a third time and do pass.

Motion for third reading of Bill No. 31 agreed to

Speaker: I declare that Bill No. 31 has passed this House.

Bill No. 2: Second Reading

Clerk: Second reading, Bill No. 2, standing in the name of the Hon. Mr. Fentie.

Hon. Mr. Fentie: Mr. Speaker, I move that Bill No. 2, *Fourth Appropriation Act, 2005-06*, be now read a second time.

Speaker: It has been moved by the Hon. Premier that Bill No. 2, *Fourth Appropriation Act, 2005-06*, be now read a second time.

Hon. Mr. Fentie: I am pleased to present the *Fourth Appropriation Act, 2005-2006*, commonly referred to as the final supplementary estimate, No 3, for the fiscal year 2005-06. I will provide the Legislature with a few introductory remarks, which explain the purpose of this appropriation. The appropriation act closes the last year-end, and the additional expenditures for which it seeks authority are already reflected in the 2005-06 audited public accounts, which were released publicly on October 31, 2006.

This supplementary is required in order to fulfill the requirements of the *Financial Administration Act*, which requires that this Legislative Assembly provide the statutory authority to approve the expenditure of two departments, the Public Service Commission and the Women's Directorate, which exceeded their existing voted authority. While departments try to manage their appropriation so as not to exceed their voted authority at year-end by curtailing discretionary expenditures or seeking supplementary spending authority, there are occasions where expenditures in excess of the voted authority are indeed necessary. Generally, the requests are negligible as departments do a good job of managing their appropriations.

For the 2005-06 fiscal year, the amount requested is less than .2 percent of the total government budget. That is a clear demonstration of sound fiscal management, prudence and discipline toward the budgets and, of course, their voted authority. Mr. Speaker, it should be noted that often the increased funding requirement comes as a result of receiving information after the year-end that requires that those expenditures be approved or recognized in the closed fiscal year. This could come about because of an audit finding or, as in this case, with the 2005-06 year for the Public Service Commission, identification by actuaries of adjustments for employee future benefits. I will speak of this request further in awhile.

Approving departmental overexpenditures retroactively has been a routine practice by all governments in the past and I am sure it will continue to be in the future. Now that the government has moved to adopt full accrual accounting, it is likely to become a more common occurrence as we are required to fully recognize or fully accrue all of our expenditures and lia-

bilities. Some of these expenditures are not quantifiable until after the year-end has been completed.

As members well know, we are the first Yukon government to fully recognize all accrued liabilities. Previous governments were not fully transparent with this information and capped significant employee liabilities. In doing so, they understated the true value of the liabilities of the government by millions of dollars. Those financial statements did not reflect the correct or true financial position of Yukon and its government. This was a poor accounting practice and, as a result, those past governments received qualified audit opinions from the Auditor General on their financial statements.

I am proud to say that this government has fully adopted the Canadian Institute of Chartered Accountants' Public Sector Accounting Board accounting guidelines. We fully reflect all obligations of this government, even if it means having to debate and approve some of those expenditures after the year-end. Once the information becomes available, that is essentially what we are doing.

Passing this legislation will ensure that we are in full compliance with the *Financial Administration Act* and will also ensure that we do not receive an audit comment for not approving these expenditures, albeit retroactively.

Since the supplementary budget document reflects the content of the public accounts released in October, I am going to avail myself of the opportunity to highlight to the members and the public the content of those audited public accounts. It will assist the members to better understand the content of this supplementary budget document.

Mr. Speaker, federal, provincial and territorial governments are expected to adhere to the Public Sector Accounting Board requirements. One of the requirements is to include school, university, college and health sector organizations as part of the consolidated reporting entity. Therefore, the Government of Yukon has added two entities, Yukon College and Yukon Hospital Corporation, to its consolidated financial statements. Consequently the 2005-06 consolidated financial statements include the assets, liabilities, revenues and expenses of these additional entities. This is the first time that this information has been provided in the consolidated statement, and again its inclusion improves the transparency of the financial transaction between those various entities. It also provides the public with a complete financial picture of all boards, corporations and government operations that fall under the purview of the Government of Yukon.

Turning our attention back to the non-consolidated statements of the Government of Yukon, the statements reflect a surplus of \$75 million for the year, resulting in non-consolidated net financial resources of \$100 million and an accumulated surplus of \$488 million.

For the members opposite who may not be that familiar with accounting terminology, these terms are clearly explained in the tabled budget document. The consolidated surplus for the year -- that is all government enterprises captured in the consolidated statements -- is \$80 million, resulting in consolidated net financial resources of \$222 million and an accumulated surplus of \$647 million. One of the reasons for the larger-than-

predicted annual surplus and hence the increase in the net financial resources was due to the large increase in grants from Canada -- an increase of \$78 million. The largest component of this increase is due to the northern strategy transfer of \$40 million, which was paid into a trust account held on behalf of the government in March 2006.

Originally, it was planned to draw from the trust over a three-year period, as identified in this year's main estimates; however, the Auditor General recommended that it be fully captured in the year received, and we complied with that request. Another new and significant grant was health funding from Health Canada, such as the territorial health access fund, totalling almost \$8 million. While 2005-06 was the final year to receive funding under the Northern Health Accord, the government is to receive this new health funding of \$8 million per year over the next four years.

The nonconsolidated financial statements indicate that the government's cash position increased by \$79 million from \$52 million as of March 31, 2005, to \$131 million as of March 31, 2006. \$45 million of the \$79 million is due to reporting the funds held in trust for the government as part of the government's cash. The largest of the \$45 million is, as I stated, the \$40-million northern strategy fund.

Overall expenses increased by \$14 million from 2004-05 to fiscal year 2005-06. The largest increase was in Health and Social Services. For a moment, I will deviate from my notes to express once again for the members opposite that that increase in Health and Social Services, which predominantly assists those in need, was \$12 million, followed by an increase of \$6 million in Education, another area of importance and priority.

These increases were offset by a decrease of \$14 million in Community Services. There were no significant differences between the expenses of 2005-06 and 2004-05 for the rest of the departments.

Some departmental lapses also contributed to the improved financial position of the government; however, the first supplementary budget for 2006-07 will result in the revoting of most of these ongoing capital expenditures.

Mr. Speaker, this now brings us back to this final year-end supplementary budget. As noted previously, two departments overexpended their votes. The Public Service Commission overexpended in its operation and maintenance vote by \$1.712 million and its capital vote by \$1,000. The Women's Directorate overexpended its operation and maintenance vote by less than \$1,000. I understand that this small additional expenditure was to accommodate a maternity leave. The Public Service Commission overexpenditure of its O&M vote was due to higher than originally estimated post-employment benefit expenses. The accrual evaluation using the newer employee data and updated assumptions reported an actuarial loss of \$18 million. The government will amortize the loss over the estimated remaining service life of active employees of 10.6 years. This is the appropriate accounting and actuarial treatment of these expenses.

Even with these additional funding requests, the financial position of the government as shown in the 2005-06 financial statements continues to remain strong.

As I mentioned previously, this is also the fourth straight year -- and Mr. Speaker, this is an important point considering all the qualified audits of the past -- under this government's watch that the Yukon has received a financial audit without any qualification by the Auditor General of Canada. I am extremely proud of this achievement since many annual financial statements of the Government of Yukon were qualified, as I said, before we took office. A great deal of the credit goes to our hard-working financial officials in the Department of Finance who continue on a daily basis to ensure that the Yukon government's fiscal position is strong, appropriate and will build Yukon's future.

Thank you, Mr. Speaker. I look forward to discussing the supplementary appropriation more fully in accordance with general debate.

Mr. Fairclough: I won't be long in my comments on this budget. The Premier has laid out the amendments. We on this side of the House do have some concerns. We have not supported the government's budget; therefore we will not be supporting the amendments as brought forward by the Premier even though they are small ones.

Some of the items in this budget have not had any public announcement by the Premier and people are wondering what is happening with some of these expenditures, particularly when it comes to the northern strategy, as it would be reflected in this year's supplementary budget. You will see a decrease, and it is showing up in last year's budget because supposedly that is how we got the money. It is up to \$40 million now.

There appear to be dollars in there that were put in trust and not spent at this point. No announcement has been made, and I know the Premier says they are good fiscal managers. We are dealing with a supplementary budget from last year that has monies that have lapsed and that is normal, but we are not talking small money; we are talking fairly big money. This is close to \$72 million that was not spent. They said they were good fiscal managers; they planned properly for the coming year, but it didn't happen. The money went back into general revenues, and the Premier said that we will see it reflected in Supplementary Estimate No. 1 for the current year's budget. I do see that. If we compare one -- I think a quick one would be highways -- almost the same amount is an increase in this fall's supplementary budget, but \$19 million less was spent in last year's budget. So the Premier said it is reflected in the supplementary budget. It is difficult to understand that. I guess we can assume that much of the funding being proposed in this supplementary budget for this current fiscal year will also lapse and we will also have more monies going back into general revenues.

Now you compare the two together -- the bill we're dealing with right now and this current year's supplementary budget. We're talking about \$180 million. It's a lot of money. We have a lot of questions when it comes to departments and their spending.

We are particularly interested in some of the funds that have come directly from Ottawa, particularly the northern strategy trust, which is up to \$40 million -- monies not spent. As the Premier said, there are only two departments. I'm sur-

prised they can come down that close to less than \$1,000 and have it reflected in change here to the budget itself.

We on this side of the House do not support how governments have allocated their funds. There are many in the departments that, as we said last year when we debated this budget in the spring, when it comes to capital projects and so on in our ridings -- a lot of us named them right out -- we support them and support the government doing this, but we do not like their overall way of putting together the budget and bringing it forward and their spending.

I have to make that clear again to the Premier. Although there are issues and projects within this budget we do like, the overall spending of government we do not like, and that's why we have not supported the government's spending, even though we're not talking about a whole lot of money or increases. What we have shown here are decreases. It's a decrease of \$72 million. The government said they were going to do that. They promised it to the public and the money wasn't spent.

In fact, it's lapsed funding, and the Premier said we will see it reflected in this supplementary budget in the current year.

We'll compare the two. I know there is a big difference already in numbers. One is \$72 million; the other one is \$107-million. One is a \$72-million decrease; the other is a \$107-million increase in the fall supplementary budget. Now, we're only a month away, basically, from the end of the calendar year and not far from the end of the fiscal year. So realistically, how much of this money that we're looking at will be spent? I hope it's not just thrown out there as contracts.

A lot of the public, for example, are questioning the way in which some of the contracts have been given out and why we're doing the things that we're doing at this time of the year. For example, we're repairing the roof on the coldest days of this year so far, and in many years that we've had. Some people see, for example, the Highways department and people cutting the clover along the highway. Well, it's not chips you see flying; it's snow. But they're doing it in the snow, and it just doesn't make sense at this time of year that we're doing this type of thing.

I know it's not in the supplementary budget, but I'm sure those same types of things are happening now. I question this because the Premier said they are good fiscal managers and we are seeing this type of activity out there in the Yukon.

So I do not have many comments on this budget. I would like some clarity from the Premier. If we ever get into Committee of the Whole about the northern trust -- there is a lot of money in there. This year's budget has none so it went into general revenues or into this trust -- it's put away, hasn't been spent. In a day or a matter of hours, we're going to be dealing with another supplementary budget here that has no money in it for that.

That is our interest. I know there are only two departments, so we should be able to go through that quickly.

Mr. Cardiff: Thank you, Mr. Speaker. I don't have a lot to say either; I don't have a problem with the expenditures in the two departments. I think that anybody would have a hard time justifying objection to the items that are contained in

there, but I would like to follow what the Member for Mayo-Tatchun was speaking about, and that is that it's the size of the lapses, I guess -- the money that doesn't get spent. We just talked about Bill No. 31 and money going into the economy and how it keeps people working. Government expenditures keep people working too. They are not the only ones that keep people working but, when you look at this, you think back to 2002 in November -- maybe it was December; might even have been January 2003 -- it was the trajectory of spending that was all that the government of the day wanted to talk about. Now, we still have a trajectory in spending. We have the largest budgets in Yukon history. I think the Member for Mayo-Tatchun talked about a figure of \$107 million, which apparently, according to what I was told anyhow, was a modest supplementary budget where there wouldn't be a lot to debate. We didn't need to stay in here until December 24; we could get it done by December 13.

But there is another trajectory contained in this document and that's the inability -- and the Premier and his ministers have to take responsibility -- it's the amount of lapses, which I view not as good fiscal management, but as the inability to complete a project.

We can list the projects, I suppose, if you want. I did some of that yesterday. There's the continuing care facility in Watson Lake, in the Premier's own riding; the school in Mayo-Tatchun, in Carmacks; the facility that didn't get built in Dawson City. I understand, and I said so in my response to the throne speech, that I understand construction delays. Sometimes there are good reasons for them; sometimes there are bad reasons. One reason can be starting the project at the wrong time of the year. That's the argument the former Member for Porter Creek South would make as to why capital budgets should be brought forward in the fall. Contractors and companies could make plans for the spring if they know what the government's spending plans are. They can gear up and get ready.

As a point of clarification for the Member for Mayo-Tatchun, construction delays do happen. The reason they're roofing right now is because there was a problem with getting the material. Those things happen. I understand that.

I think the government needs to be a little more diligent in how it does its planning on the capital side and on the O&M side so that some of these projects -- I probably can't say that. I think the public, to some extent, gets fooled by what's contained in the budget. Announcements are made. How many times did we hear announcements about continuing care facilities in Watson Lake or Dawson City or the school in Carmacks, or recreation centres? The Teslin arena -- I think there was an announcement about changes to the arena in Teslin. I think there were even announcements about changes to the school -- additions, or something like that.

With the money, the public thinks that we are just going along great. Look at what the government is doing. It's wonderful. The construction industry thinks that there is going to be lots of work. It's about doing the planning in advance. I remember discussing with a former Finance minister the concept of having government projects -- I mean, times are very good right now, I don't dispute that. A lot of people are working. It's

not totally true, though, because there are still construction workers who are not working. They are not fully employed. Some of these projects that get left by the wayside would have helped some of those people out.

There is one other aspect to this. It is service agreements with other service providers and non-government organizations. We rely on projects with those non-government organizations and service providers to provide services to our communities and people. If the projects don't go forward, the services don't get delivered.

The other problem -- and I touched on this a bit when we were talking about Bill No. 31, the *Act to Amend the Income Tax Act* -- is that the lapses are the concern because it is work that is not getting done. Maybe I don't fully understand it, but if we are sending money back to Ottawa in recoveries on some of this stuff where the projects aren't getting completed or the services aren't being provided and we are indicating to the Minister of Finance in Ottawa that we didn't really need something in the range of \$25 million in recoveries -- that's the way I read it. Maybe all that money didn't come from Ottawa. I don't know.

Maybe it is coming from somewhere else, but if you indicate to Ottawa that you don't need that money for those projects, we have already watched what has happened. We have read motions into the record. The Minister of Education is working diligently to respond to some of the things that the federal government has cut back on funding for. We have asked the minister responsible for the Women's Directorate to do likewise. We have a federal government that is slashing funding to non-governmental organizations. It is affecting us here in the territory, whether it is literacy or whether it is women, First Nation health programs, museums or culture. When you indicate to a government in Ottawa with a philosophy like they have about not wanting to provide money for those types of organizations, and you show them that we didn't need that money, then they are going to send you less.

The Premier has done a pretty good job of getting more money from Ottawa, but times have changed. We are not dealing with the same people any more. I am sure he should bend the ear of the government House leader and find out just what philosophy there is in Ottawa, because it is my understanding that he is pretty well connected and acquainted with those folks and what their philosophy is when it comes to providing social services.

He probably understands the cuts to these programs. It's a good thing that maybe there are some people on that side of the House who can recognize that those programs and services are necessary, and I think that he is actually learning how necessary some of them are, because he sees the benefit that it provides in our community.

So I think that's the essence of what I wanted to say, that we just have to watch, we have to be careful about the message that we send back to Ottawa when we send them back money and we say, well, we didn't complete that project, or we decided that it wasn't necessary. That's the way it's reflected in here: it's money for projects that the government didn't complete or couldn't complete or couldn't complete on time, and basically

it's money that we're sending back to Ottawa or saying we don't need right now, and I don't think it's a good message to send.

Thank you.

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

Hon. Mr. Fentie: Mr. Speaker, I thank the members opposite for their comments. I am compelled, though, to briefly touch on some of the misconceptions.

I'll start with the latter. We're not sending money back at all. This is accounting and, by the way, it's accounting that has been approved by the Auditor General. Should the members opposite feel that they have a better system than what we are required to follow, present it to the Yukon public. We on the government side would never stand in their way. I urge them to do that. This would be an interesting public discussion, I am sure.

The government side knows that the members opposite did not support what we were doing with budgets. We know they didn't support increased stimulus; we know that, it's clear. We know they didn't support historic unemployment lows, the resulting factor of increased stimulus and investor confidence and optimism. We know they didn't support historic unemployment lows. We know they are not supporting the increase of Yukon's population. We know they are not supporting the dramatic increase in private sector investment; we know that. We know, and so do Yukoners, that they don't support taking care of our children, because that's reflected in all of this government's budgets over the past four years and will continue to be reflected in our budgets as we continue to invest in the needs of Yukoners.

We know they didn't support enhancing our education system, as this government has done in a very significant manner. Look at the Yukon College as an example, the core funding for Yukon College. We are the first government in a decade that recognized the demonstrated need and increased the grant to the Yukon College by some \$1 million. We know the members opposite did not support that; they did not support Yukon College and its needs. We know the members opposite didn't support increases for our schools, more teachers and more education assistance. We know that they did not support that. They forgot about the people who need that type of service. They forgot how important our education system is to the Yukon and its future. They did not support that; we know that.

Mr. Speaker, we know they did not support our strengthened social safety net and the social fabric of the territory or the dramatic increases in investments that this government brought forward for health care and social services and seniors and elders and children and those addicted and those with disabilities and all who are in need. We know they didn't support that.

They are Yukoners. They made it very clear, as the Member for Mayo-Tatchun requested when he asked that it be crystal clear. They have made it crystal clear. They do not understand accounting. They have demonstrated that they would not be able to manage the finances of the territory. That is crystal clear. It is clear by their comments, Mr. Speaker.

The supplementary before us, as I laid out in a fairly lengthy and detailed dissertation to the House, was all about wrapping up the year-end. That is what it is about. I pointed out that it is, once again, an unqualified audit, which means that any and all transactions and any and all accounting done over the course of the fiscal year 2005-06 met all requirements and all obligations that we must meet. The Auditor General says so. We know that. We know that the supplementary reflects a very strong and healthy fiscal position for the Yukon.

What's confusing and quite ironic is that the Member for Mayo-Tatchun has been suggesting that we have a lot of money. I asked the question of the members opposite, the official opposition: how then can their own leader, the leader of the official opposition, say to the Yukon public through the media a couple of short months ago when we tabled our interim financial statement for the territory showing the exact position of the Yukon's finances at that time, which included all obligations of government in terms of expenditures -- and it showed a healthy surplus -- that we had cooked the books. He said that actually our financial position was in deficit. This is not a very good demonstration of a fundamental understanding of accounting in even the most limited fashion.

It is very difficult to debate with the official opposition. I will give full credit to the third party. Regardless of the issue, regardless of the debate, no matter what the matter may be, you will always know where the third party stands. We respect that on this side of the House, but I can say this, Mr. Speaker: the finances of the territory are of the highest priority for the Yukon Party government; the finances of the territory are critical to Yukon's future and we have stated categorically that we intend to continue to use budgets as an economic tool and a mechanism to provide a quality of life for all Yukoners regardless of the walk of life they may be in. We are going to continue to do that through the course of this mandate because it is all about the future. Imagine our fiscal management and what we can deliver over the next five years, and then imagine the official opposition's fiscal management and the disaster we'd face over the next five years. I commend the supplementary to the House.

Speaker: Are you prepared for the question?
Motion for second reading of Bill No. 2 agreed to

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

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

The matter before the Committee is Bill No. 2, *Fourth Appropriation Act, 2005-06*. Do the members wish to take a brief recess before beginning?

Some Hon. Members: Agreed.

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

Recess

COMMITTEE OF THE WHOLE

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

Bill No. 2 -- *Fourth Appropriation Act, 2005-06*

Chair: The matter before the Committee is Bill No. 2, *Fourth Appropriation Act, 2005-06*.

Chair's statement

Before we commence general debate, the Chair would like to remind members of a certain procedural matter regarding the reading of supplementary budgets. Once general debate is concluded, the Committee will only deal with those departments that have the new appropriations identified in Schedule A. Should members wish to ask questions or make comments about other issues, such as revenue or lapses, they should do so within the context of general debate.

Thank you.

Hon. Mr. Fentie: Mr. Chair, I am pleased to present the *Fourth Appropriation Act, 2005-06*, more commonly referred to as the final *Supplementary Estimates No. 3* for the same fiscal year. In my second reading speech, I did provide the Members of the Legislative Assembly with a detailed overview of this supplementary budget request; hence, I will limit my comments in this speech to a few introductory remarks and highlights that explain the purpose of this appropriation.

As I mentioned in my second reading speech, this appropriation act closes the last year-end, and the additional expenditures are already reflected in the 2005-06 audited public accounts. This supplementary budget is required in order to fulfill the requirements of the *Financial Administration Act*, which requires that this Legislative Assembly provide the statutory authority for the expenditure of two departments, the Public Service Commission and the Women's Directorate. Both exceeded their current, voted budgetary authority. While departments try to manage their appropriation so as not to exceed their voted authority, there are occasions where expenditures in excess of the voted authority are necessary. Generally the requests are relatively small, since departments tend to manage their budgets very effectively. For the 2005-06 fiscal year the amount requested is a very small request, as I pointed out in second reading. It in fact is less than .2 percent of the total government budget.

Mr. Chair, it should be noted that oftentimes the increased funding requirement comes about as a result of receiving information after the year-end, which requires that those expenditures be accrued or recognized in the closed fiscal year.

This can come about because of an audit finding or, as in the case of 2005-06, the identification by actuaries of adjustments for employee future benefits. This is the reason for the largest request increase for the 2005-06 fiscal year. Retroactive approval of departmental expenditure has been a routine practice and will continue to be the practice of all governments. It is more likely to become a common occurrence since we have moved to full accrual accounting, and we are required to fully accrue all our expenditures and liabilities. Of course, Mr. Chair, I will not reiterate in this speech what I said in my opening; however, the fact is that we are the first Yukon government to fully recognize all accrued liabilities and that previous governments understated the true liabilities of the government by millions of dollars. That practice resulted in qualified audit opinions from the Auditor General.

Approving these expenditures will ensure we are in full compliance with the *Financial Administration Act* and will also ensure that we do not receive an audit comment for not approving these expenditures, albeit retroactively.

Mr. Chair, the supplementary budget document reflects the content of the public accounts. During my second reading speech, I did talk at some length to highlight the content of those statements. In the interest of time, I will not repeat those comments; however, I would refer members to *Hansard* if they would like to refresh their memories.

In closing, I would like to recap the content of this final year-end supplementary budget. As noted at the beginning of my remarks, I mentioned that two departments overexpended their votes. The Public Service Commission overexpended its O&M vote by \$1.712 million and its capital vote by \$1,000. The Women's Directorate overexpended its O&M vote by less than \$1,000. The Public Service Commission's overexpenditure of its O&M vote was due to more than estimated post-employment benefit expenses. The actuarial evaluation using the newer employee data and updated assumptions reported an actuarial loss of \$18 million. The government will amortize the loss over the estimated remaining service life of active employees of 10.6 years. This is the appropriate accounting and actuarial treatment of these expenses.

The Women's Directorate additional funding request was to assist, as I said, with the additional personnel costs resulting from a maternity leave. Even with these additional funding requests, the financial position of the government, as shown in the 2005-06 financial statements, continues to remain strong.

Thank you, Mr. Chair, and I certainly look forward to discussing this supplementary appropriation more fully in general debate. Hopefully it will be a constructive one.

Mr. Fairclough: We do not have a whole lot of questions in regard to the changes in the budget. As I said earlier, the two departments are overbudget by a very small sum. The Public Service Commission -- we understand why. Those are not our big concerns. We said this. Being constructive in this Legislature goes both ways. We ask questions and hopefully we get answers. If we're not constructive in here, it's not because of the questions being asked in the House.

As I stated earlier, our concern was the fact that this government is lapsing some \$72 million and it's reflective of many

departments, some of them with quite large sums, particularly in capital. Not too long ago, the Premier was saying this is the amount of money that's going to put people to work, so these are lapsed funds.

Highways and Public Works, for example, is down by some \$19 million. I know we debated this budget already and the Premier is saying it will be reflected in this year's budget. Community Services is down by quite a bit, some \$14 million. This is big money that would have put people to work. Whether these projects were delayed for whatever reasons, we debated that somewhat in the spring. I'm sure we will see continued lapses in funding over the next year.

We do have questions in regard to one particular item in here, and although it's not an increase, it is a revenue, and it is with the northern strategy trust. We're going to talk about this again because it's reflected in the supplementary budget in the current year as zero dollars. Maybe the Premier can give the House an update of the northern strategy trust. We know that we have all the money up front now that was basically earmarked over the three years and that it was supposed to come in. So we understand that, we know that, and we've got it all up front, but it was last year and we didn't expect it and the Premier didn't even expect this to happen because it is reflected in our other supplementary budget that we're going to be dealing with. So if we can get an update from the Premier about exactly where this is at -- is it just \$40 million, what are the plans, what promises have been made? I've already had people contact me, saying there are monies committed this year from the territorial government from the northern strategy trust, but there are zero dollars in there. This is last year's. So maybe you can update us on this particular line item.

Hon. Mr. Fentie: Mr. Chair, just so we can lower the angst of the members opposite when it comes to what they perceive to be lapses in this supplementary closing out the year-end, I can assure the members that these are in fact revotes, and in many cases these are projects that are ongoing. I think we all can understand that during the course of a fiscal year, many projects are started that will take more than one year, two or three years to complete. Therefore, the monies necessary for these projects that were passed, given vote authority in this House, will be revoted. So there is a distinct difference between a revote toward a project and lapsed monies going back into general revenue.

The northern strategy, I'm very proud to say, was another initiative that was negotiated on a pan-northern arrangement with our federal government. It reflects some very important goals and objectives for the north. Of course, there is an objective of building healthy, sustainable communities, governance issues, capacity, economic development and a broad range of areas of investment, but it is also hugely important that we recognize the initiative that this government has taken with respect to our partnerships with First Nations. It has never been the case in this territory where any direct transfer from the federal government to the Government of Yukon was handled in this manner. We as a government, in the spirit of partnership with Yukon First Nations, went directly to the First Nations to offer a joint investment plan for the northern strategy. We did that

through the Yukon forum. The Yukon forum, as we all know, is the venue where governments, First Nations and the public come together to work on issues of mutual interest and develop common positions and common solutions.

The investment plan with our partners, the First Nations, is a joint one. There is a working group that will review any and all proposals that come forward. There is only a certain amount that can be expended for this fiscal year as the trust fund is a timeline trust fund of over three years. Whatever proposals are approved by our joint working group will of course go forward. There will be another uptake date for further projects in the very near future, and the same process will apply. However, when it comes to the accounting issues, we as government, recognizing that the trust was a three-year trust, accounted for it in the government's fiscal framework over the course of the three years. We did our year-end with the Auditor General, the Auditor General made note that the preferred way to book or account for the trust itself was to fully book the amount in the year the trust was established; therefore, that did increase our overall surplus here in the territory. It was because of an accounting measure.

I want to be very clear here. This is not new money suddenly coming into the Yukon. It is an accounting measure of money that was already booked. Of course it will affect out-years because there will already be expenses in the fiscal framework of the northern housing trust amounts being invested with no corresponding incoming revenue, because the full amount has been booked in this supplementary.

Some Hon. Member: (Inaudible)

Hon. Mr. Fentie: Yes, on the northern strategy. If I misspoke, I will correct the record. It is not the northern housing trust in this case; it is the northern strategy.

That is about as much as I can go into in terms of what the Member for Mayo-Tatchun was referring to, other than to say, as I close, that there is such a demonstration here as we deal with the finances of the Yukon of how all liabilities are fully reported and how the territory is no longer getting qualified audits. I stress this point because if we are to say to the Yukon voter that we are managing their finances appropriately and with all their interests as a priority, then we must provide full disclosure and transparency.

I know that the members opposite criticize the government side a great deal for the measures we took to provide that full reporting, full disclosure and transparency. When one now really looks at our fiscal framework and how we present the finances, revenues, recoveries, transfers, expenditures, assets and depreciation/amortization -- how we present it all to the public now is simple and clear. We have presented the Yukon public with a very healthy fiscal position so all Yukoners know that what we earn and what we expend, together with our assets in the Yukon Territory, are in good financial shape. But we can never lower our bar when it comes to prudence, fiscal management or discipline in ensuring that we do not mortgage the Yukon's future.

Mr. Fairclough: I'm still not totally clear on this. It's my understanding that the northern strategy trust began in December 2004, and the Premier just said it was recommended we

record it all in the year we start. Maybe for clarification, we can start there. Is that the case, or are we now recording it in 2005-06?

Hon. Mr. Fentie: In fairness, I think what the member is referring to is the fact that we began working on the northern strategy back then. At that time, our federal government wished to make an announcement on what they were doing with respect to the three territories and their vision of the day, so we agreed to the announcement. During that timeline, in that year of 2004, I believe it was in the winter, we did make a national public announcement that we had agreed to the northern strategy with respect to Yukon, N.W.T. and Nunavut and our partnership with the Government of Canada, but it was not until the fiscal year of 2005-06 that the trust -- the concept was agreed to and developed -- was established.

Mr. Fairclough: I'm just trying to find where I had it laid out over the last three years, but obviously we'll be dealing with it in this next supplementary, where we see a zero amount instead of \$40 million. I heard the minister say we will be approving and letting money out as applications or projects are recognized.

Does the Premier have a list of what has been approved so far? What can we expect in this current fiscal year?

Hon. Mr. Fentie: Mr. Chair, because the Yukon forum is the venue or instrument that we and our partners will use to continue to conduct business, this matter will go to the Yukon forum when it comes to approval of projects so that there is ratification so First Nation governments, which are the principals, and their representatives, and the Yukon public government and its representatives will ratify these projects. I would also point out that ratification will be based on the recommendations that come forward from those charged with the responsibility of approving projects. Therefore, we soon will have a list of projects that will be receiving investment in the very near future. But I also want to point out that this is much about an accounting measure in our budget because we've already, in the fiscal framework, accounted for and allowed for expenditures of the northern strategy trust fund on an equal basis of a three-year timeline. It does not have a line item that expresses a dollar value for a specific project. It has a corresponding expenditure accounted for in the budget that shows that will be the total amount expended in that fiscal year -- projects yet to be determined.

Mr. Fairclough: I guess it's a bit of a concern to me because this money could have projects in the communities I represent, and people are asking about it. So where do we find figures for them? Can it be brought to the floor here? We've had monies earmarked -- \$13,333,000. How much of that is gone and what can we expect in this coming year? I say that because I know that people are already promised or monies are already committed to First Nations through the northern strategy trust. I would like to see what projects have been approved, and I think the Finance minister can bring it to the floor of this House and perhaps we could have some debate on some of the line items.

Hon. Mr. Fentie: Mr. Chair, at the risk of being repetitive, I did state moments ago that we have partners, and our

partners are First Nation governments. I can comfort the member opposite that the representative governments of the First Nations in the riding of Mayo-Tatchun -- Na Cho Nyäk Dun, Selkirk and Little Salmon-Carmacks -- are all represented and signatories to the memorandum of understanding establishing the Yukon forum and have been present when we agreed to the process and the commitment to develop a joint investment plan.

Therefore, I will repeat the fact that projects that have been recommended will go back to the principals in the Yukon forum for ratification. In all cases, the recommendations that we receive most likely will be ratified, although discussions will take place, I am sure. Once done, we can then make available to the Assembly, should it be sitting, or by other means, the list of projects that have been recommended, agreed to and ratified, so that members understand where investments are taking place.

The purpose of our approach is to ensure that First Nations are involved in a meaningful way in developing Yukon's future, because the northern strategy is an instrument about building Yukon's future, as it relates to our place in the federation.

Mr. Fairclough: Mr. Chair, I understand First Nations are partners on many things: education. We're making them full partners on economic development. Any expenditure of dollars through that, even though they're partners, show up on the books, show up on information that's given to us through the Department of Finance in this Legislature, and we debate which projects are being approved and so on.

This is \$40 million. If it's flowing through the Yukon government, I would expect that the Yukon Party government would be open to having all members of this House see where the monies are being spent. I guess that's as simple as that. That's what I'm trying to go through. I'm commenting back on the Premier's opening remarks in regard to a number of projects being approved with the \$13,333,000. I think it's only right that the Premier bring forward that information. Can we see it by a legislative return? Do we have that big list in front of the Premier that he can read out? Is that confidential information because of the First Nation partners on this?

I am wondering why we, the public, cannot see this at this point.

Hon. Mr. Fentie: Let me try it this way. The Assembly and all its members are seeing it. It is in the budgets. It says that in 2005-06 we are booking X amount of dollars as the northern strategy trust. Once we get into the next debate, we will see that there is a corresponding expenditure for the northern strategy in 2006-07. As I stated, we and our partners have developed a joint investment plan and process where we collectively -- First Nation governments and public government -- will ratify recommended and approved projects. I can assure the members opposite that once those projects are ratified and approved, there will be a public announcement, a release, of the projects, where the investment is happening. We can bring that release to the Assembly, if the Assembly is sitting, but the members will have access to that immediately upon its release into the public domain.

The government is very comfortable with this process. We feel very strongly about it, because it demonstrates our solid

commitment to partnership. You know, it has to be said here that the spirit and the intent of the final agreements and the self-government agreements were all about building Yukon's future. These are mechanisms that this government has put in place to ensure that the spirit and the intent of the final agreements and the self-government agreements are being lived up to. This is but one example. There are many challenges ahead in this journey of self-determination for Yukon First Nations and their role in the future of the territory, as I have stated. As we continue to realize successes and continue to jointly develop mutual solutions that result in mutual benefit, we are truly building a better and brighter future for Yukon with our partners, Yukon First Nations.

Mr. Fairclough: The Finance minister still didn't answer the question then. Let's ask a different one. He is asking us to wait and debate it in the next supplementary budget, which has a zero amount in it. There is none in the northern strategy trust. Are we going to wait until then so there is nothing to debate at that point? We would like to know. This is money. It is \$40 million. If there are projects, let's have a look at them. What is the confidentiality about?

Before the minister answers that one -- and I can tell the minister that there is going to be a lot of debate on land claims and implementation. The minister did refer to the implementation and is showing some respect for the claims that have been negotiated. Is this dollar amount in the northern strategy earmarked for any of the First Nations that do not have final agreements?

Hon. Mr. Fentie: Mr. Chair, this is not a matter of confidentiality. It is a matter of respect. We would never preclude our government partners by doing something outside of our committed process. It has nothing to do with anything being in confidence or keeping information from anyone. It has everything to do with the spirit and intent of our partnership and what it means. It is based on respect. That is what this is about.

To say that there is no dollar value here -- I just pointed out to the member opposite that in the next supplementary we are going to be debating an item on the northern strategy, because it is not zero. Let's go over the document for the member. On page 1-3, the member opposite will see at the top of the page "operation and maintenance expenditures". Let's follow that down to the bottom where it says in big, black, bold letters "northern strategy". He will see voted, to date, 2006-07, zero. Now, Mr. Chair, let's reflect on what this document is. It's called *Supplementary No. 1*.

In the shaded column in *Supplementary No. 1*, it shows a booking of \$3 million. If you follow that across the page to the column "revised vote" -- that's what supplementaries do.

The member can wait for information, go on holidays, do whatever the member would like; we're not going to deviate from the process. Once the principals have ratified projects, those projects will be made public. In the next little while, the member can stand and debate the northern strategy in *Supplementary No. 1* to his heart's content.

Mr. Fairclough: The Premier still didn't answer the question. I know he's trying hard, but maybe he's going to do it

sometime soon and show some respect to this side of the House.

I asked about the northern strategy, whether they involve those First Nations that do not have final agreements.

Hon. Mr. Fentie: All First Nations are members of the Yukon forum. The northern strategy is not discriminatory. It doesn't say that certain Yukoners, because of whatever governance position they are in, are ineligible. What it says, frankly, is that it's about building the Yukon, based on the seven objectives we agreed to with our federal partner, the Government of Canada. So all First Nations are eligible, as all Yukoners would be eligible, but the important point is that we have partners and a process and an agreed-to joint investment plan, and we will always, with our partners, ratify recommended and approved projects. I don't know how much clearer I can be.

Mr. Fairclough: That's clear enough. It just took two questions to get an answer, Mr. Chair.

I asked the Premier about this because in his opening remarks he talked about projects and it sounded to me like there were already projects approved here but, from what I hear now, this hasn't been the case. We have applications in there and we are going to talk a little bit about some of the monies earmarked for that -- the \$3 million spoken of by the Premier. I did look through the -- and maybe it is because it's in a trust that the \$3 million will be reflected. It's still a bit unclear about exactly what types of projects are being approved but we are going to respect the Yukon forum and the First Nations bringing forward their applications and we are going to wait and see. That is what the Premier said. We are going to wait and see. Maybe it's a matter of an hour or so before we debate the next supplementary budget where we can ask questions in general debate about the \$3 million. So, it's no big deal; we will wait until then.

We on this side of the House have asked questions in regard to the northern strategy in the past, and it's up to \$40 million. We understand that the Premier has been basically told that they have to account for it in the year that it was brought in -- so basically 2005-06 -- and where all the monies usually come in over three years have been put into one year. That's why we're going to see that reflection in the next supplementary of having zero dollars in there because that \$13 million --

Some Hon. Member: (Inaudible)

Mr. Fairclough: It is in there. The Premier is saying that -- I will show him the page, too, if he would like.

It does reflect zero dollars in there, because the \$13 million have been taken right out. Where is it -- on S-4, in the next supplementary budget, there are zero dollars in there because it has been taken out of there. That's what I've been saying, and I know the Premier is going to explain that when we get into that supplementary. I don't need to get into that now. He has answered the questions I've asked of him.

Again, I guess I'll sum up by saying that I am concerned about the large amounts of revotes or lapsed dollars, whatever the Premier wants to call it. It is \$72 million. We did not approve the budget and vote for the budget that the changes are made to, and we're not going to support this one, even though we understand it's not a big expenditure of the two departments

in going over what we voted for in the past. So we don't have a problem with that. We have a problem with how the government put their budgets together and the fact that they have huge revotes or lapses because of revotes.

But we'll see it go back into this department as a lesser amount, not the full amount that the member is saying. I gave him an example of Highways and Public Works, where the numbers are different. So it's a wait and see. I don't require the Premier to answer any questions, so I'll move it on to the third party.

Hon. Mr. Fentie: Mr. Chair, I'm not an accountant, but I'm going to try to explain this. Now, I'm not sure if the member is just trying to engage in debate so that there is some material for the member to use, but this is about accounting. We have been talking about why there are certain accounting changes in the supplementary, so the member is now into the revenue that now shows zero. Well, we have in second reading and in the introduction for general debate explained in very succinct and, I think, simple terms why that is. The Auditor General has said that we have to book the trust in the year it was established. Therefore, in 2006-07, there is going to be a reduction of \$13.3 million, showing a revised vote of zero, because the money is now in 2005-06.

It's called accounting. I think we have to have a better debate about the finances of the territory. These are the most critical parts of governance when it comes to the public interest and protecting the taxpayer to ensure that we are managing their finances appropriately, to ensure that the Yukon taxpayer is receiving full value and that we are providing discipline and prudence in fiscal management that will definitely guarantee that we are not mortgaging the future. We intend to leave, for those who follow, a healthy financial position. It's difficult because we are engaging in a debate that is meaningless. The government and this House -- everyone involved here has a higher duty than meaningless debate.

Let's try, in the context of accounting, to have a constructive debate. It would be a whole lot more useful and Yukoners who might be listening may find it enlightening. To keep going around in circles about things that are not really connected in any way, shape or form with the finances of the territory and/or the tabled budget documents is not the course of action we should all be taking.

The best way I can put this is that we know that the members opposite, especially the official opposition, do not support what has been done in the territory. We know that they don't agree with the Auditor General. They just said so. They put on the public record that they dispute what the Auditor General directs and finds, so if they have a different method of managing the finances of the territory, they should put it out to the public. They should explain to the Yukon public how the official opposition -- the Yukon Liberals -- would manage the finances.

You know how the past Liberal government did it, Mr. Chair, and that was by qualified audits, not reporting fully the liabilities of government, not presenting full disclosure and transparency to the Yukon public. That is not the way to manage the Yukon's finances. That has all since been changed, and

we no longer have qualified audits. We have full disclosure and transparency and a healthy financial position for Yukon -- big difference.

If the members opposite don't want to support a simple accounting supplementary closing out a year-end -- and here's another interesting thing: they are saying they don't support maternity leave, which is mind-boggling. I cannot even understand why they would come up with something like this. We are not going to support a simple budget document that closes out a year-end. Getting caught up in that little ploy has the members opposite not supporting maternity leave. And what about our employees and their benefits? How on earth do the official opposition members expect to get any residents in the Yukon public to demonstrate that they could in fact manage the finances of the territory? I can't believe what I am hearing.

However, the members on the official opposition benches have a chance to rethink their position, because it is not a very lengthy document. They could go through it and they could discuss it, especially with the Member for Kluane, who needs some assistance, considering what transpired here today. They could then come to that conclusion and determination.

Chair: Order.

Hon. Mr. Fentie: Sorry, Mr. Chair. I will retract that. I was caught up in the moment.

I would suggest that they would probably come to the conclusion that this is not a bad thing and that supporting maternity leave and employee benefits and accounting approved by the Auditor General -- it is actually something where it is a simple vote. There is nothing to it, but if they want to discredit or criticize, go ahead, but remember who the members are criticizing. I have pointed that out a number of times. I am not the accountant; the ministers are not accountants. We manage the finances of the territory in accordance with the hard-working officials in the department who provide the best of advice. I for one feel extremely fortunate because of the skills and talents that we have in this government, and the members opposite have criticized that too. That's really unfortunate.

Mr. Fairclough: I thought I'd pass this debate over to the third party, but I can't believe the garbage that came out of the Premier's mouth.

Unparliamentary language

Chair: I would like to say that the term "garbage" is beneath what is acceptable in this Assembly.

Mr. Fairclough: First of all, the Premier said he doesn't want a meaningless debate here in this House, but he goes on and on about it. Let's have him sit down and listen to a few things.

First of all, he has always stood up in this House to say he doesn't want to live in the past, but now he goes back into the past and he wants to be -- I don't know what -- mired in negativity again as he debates this budget. This is ridiculous, considering the Premier's response to us on this side of the House. What makes him think that he is above others in debate in this House? Let's give an example, Mr. Chair.

Did the Premier, when on this side of the House, have anything good to say about the finances of government at the time?

And when he voted against budgets, did he vote against those who were taking maternity leave also? Did he disagree with that? Did the Premier at that time disagree with it? Now he has turned a new leaf and is supporting them. Well, I would think not.

If the Minister of Finance really listened to what we had to say -- what I had to say on this side of the House -- I did say that we did not have a problem with the two line items. Did the minister not hear that? We didn't have a problem with it. I went back to the general way in which this minister and his government put budgets together. That's what happened.

But no, the Premier, in his own way, wanted to try, in my words, Mr. Chair, to belittle us on this side of the House like he has done so many times on our understanding of the finances. Why do we debate this? We are talking about \$40 million and the Premier says to not even talk about it. Because of what? It's meaningless debate, he calls it. He calls that \$40 million meaningless debate and everything else that we've brought up -- the \$72 million in revotes and lapses -- he calls it meaningless debate.

On and on he went because he got tired of the fact that we ask questions in this House about two line items and all of a sudden, Mr. Chair, in coming from the opposition to the government side, the Premier has turned a new leaf. He's not going to basically insult anybody but those who are on this side of the House.

He hasn't changed, Mr. Chair. This was the promise of the Yukon Party, to improve decorum in this House. Do you remember that? Do any of the members opposite remember that?

Some Hon. Member: (Inaudible)

Chair: Order. Mr. Fairclough has the floor.

Mr. Fairclough: Thank you, Mr. Chair.

Well, it hasn't happened. No improvements. The Premier is the Premier and he will remain the way he is throughout the rest of this term and we have to put up with it, basically, and wonder where he gets his advice from on this matter, Mr. Chair. It is not meaningless debate to discuss a \$40-million item that's before us. It's not meaningless. If the Premier wants to show respect to anybody -- people on this side of the House -- then those words should not come out of the Premier's mouth.

We only have a very short sitting here, and we're only a few days in, and the Premier has already reverted to his tactics of what we see here today. He will continue to do that. There are good reasons why, I suppose -- not that the Premier wants to answer any questions about this budget. The one thing he'd like to do is get the heck out of it and take his holidays and leave. The best thing he'd like to see us do is to not debate this budget at all.

I'm really surprised, because here's a big commitment that the Yukon Party made in the election campaign to try to make improvements in this House. Are we going to see it here today? Is the Premier going to demonstrate that when I sit down and he gets up and answers whatever? I see the House leader indicates that won't happen exactly. So whatever, you know; it's whatever. I'm just pointing out again to the members opposite. We have seen no change.

I am sure that the new members opposite do not like the style that the Premier has taken. It is our right as the official opposition to ask questions, whether the Premier thinks they're silly or not. He's the one with the answers. He's the one with the official beside him with all the answers. At the beginning, it is the Premier who had trouble answering the questions, and now he has been updated because he has somebody beside him to help him through these moments. So, good for him. That's how it's supposed to be in this House, right?

So we're going to be subject to the minister's way of doing things in this House. I can't even say the word, because I might get ruled out of order by you, Mr. Chair, but I don't think that calling the official opposition's debate on line items or big money items in the budget as "meaningless" is right.

What was meaningless was the Premier getting up and talking in circles again. We could do that too. The Premier doesn't seem to have a problem with that at all. As a matter of fact, in my view he likes it and thrives on it. It's not just the \$40 million in the trust fund, but it is \$72 million of unspent money. Revotes is what he said.

I turn the tables back on the Premier about what he just said. It is not meaningless to debate this. It is our right. We have been told to ask these questions. What is wrong with that?

What is happening here is that the Premier is leading his party to have the early sitting fall apart and go back to what it was before. If he wants to lead that charge, it is up to him.

Chair's statement

Chair: Order please.

Before we continue, I would like to say that this debate is becoming overly personal. I would like to remind members to stick to Bill No. 2 and the debate at hand.

Hon. Mr. Fentie: Thank you, Mr. Chair. That was enlightening.

I would like to respond to something. The Member for Mayo-Tatchun made reference to voting against budgets. When I was on the other side of the House, yes, Mr. Chair, we voted against budgets. They were budgets that produced qualified audits. They were budgets that produced an exodus of the Yukon population. They were budgets that produced unemployment figures in the double digits. They were budgets that did not take care of Yukoners' needs. They were budgets that had a very low priority placed on education, health care and social services. The list goes on and on.

Yes, we voted against those budgets. That has all changed, Mr. Chair, but you know I have to put on the record that in two speeches here this afternoon, both second reading and in introductory remarks for general debate, a fairly detailed articulation of this supplementary was provided to the members opposite. Budget documents have been provided to the members opposite. We are not referring to the members' responsibilities and duties in this Assembly as meaningless -- absolutely not. You will see in the pages of *Hansard* my comments referred to the need to have a more constructive debate about the finances of this territory because it is critical to Yukon. Yukon taxpayers deserve a constructive debate. This certainly isn't one.

To suggest that we haven't answered the questions is not fact. Again, in the pages of *Hansard* that will clearly be demonstrated. All the answers have been provided. Unfortunately, I can't get into what transpired here without being ruled out of order, although I certainly would like to make representations on that, because it all reflects on conduct in this House, even in the face of the code of conduct that was entered into -- but I'm not going to.

Mr. Chair, I could repeat, verbatim, the speech outlining all the details, or I could just submit to the House that general debate should clear.

Mr. Cardiff: I don't have a lot of questions, but I do have a few comments, having sat in here for a little while listening to what's going on.

I am not an accountant and I will never profess to be one. It's just like when we were talking about Bill No. 31 -- I'm not a tax lawyer either, and I don't totally understand that, and I have no desire to, but, in order for us to do our jobs effectively and have the constructive debate about the finances of the territory that the Premier is asking us to have, what we need in order to have that constructive debate -- I mean, the purpose of the debate is to ensure that the priorities of Yukoners are reflected in the spending practices of the government. What we're going to end up debating is where our priorities are, the priorities that we hear and the spending priorities that we think the government should be focusing on. Where they're the same, we'll support you on it, or where they're different and we think the government needs to change its spending priorities -- there are some crucial things. Actually, I'd like to correct the Premier. I don't think that we've entered into a code of conduct yet. That was in one of the bills. I think it was in Bill No. 107.

Some Hon. Member: (Inaudible)

Mr. Cardiff: Sorry. Somewhere I missed that. What I was thinking was that we were in a new era of cooperation. That's the way I understood it anyway.

And in that spirit of working together and cooperation, in order for us to have the meaningful debate and to understand where the government is spending its money and where the lapses or the revotes are, what we require is information. I don't want to stand in here and ask the Minister of Finance or any of the ministers to provide minute detail about the budget, whether it's the one that we're debating now, the one that we're going to be debating early next week, or the one that we're going to debate in the spring. But it would certainly be handy if the government would provide more detailed information as opposed to doing it -- I'm not asking the Premier to stand up and explain to me which lapses or revotes are what, which projects went ahead and which projects didn't go ahead. But that information could be provided ahead of time, and I don't need it right now. I don't need him to stand up and tell me what that information is.

I'd like to disagree with the Member for Mayo-Tatchun for a minute here. He stated about the debate that was going on that the Premier -- I think I have this pretty close. We will see when we read the Blues. He said that the Premier has the officials to update and supply the information. I don't disagree with that. What I disagree with is he said that's the way it's supposed to be in this House, and I don't think it is the way it's supposed

to be in this House. I don't have a problem with the accounting as presented in here. It's not rocket science. I don't totally understand it all, but I think I'm starting to grasp it better, finally, after four years of sitting and listening to this and participating in some of the debate.

When we get a supplementary budget that we're going to be debating with \$107 million in it, and no briefing despite the fact that there are people sitting in this Legislature who have never, ever had to participate in this process before, who didn't receive the departmental briefings in the spring about the departments that they are responsible for being the critics for, and not only that but, when there is no detail provided in the budget documents, at the risk of -- I don't want to talk too much about that document because we're not talking about that. We're talking about the supplementary estimates for 2005-06, but what I am trying to get across to the Premier and the House leader and the ministers is that, in order to have the constructive debate about the finances of the territory, it's not supposed to be that the government has all the information and we have to pull it out one little bit at a time. We should be provided more information.

How can you spend \$13 million in Health and Social Services -- add \$13 million plus to Health and Social Services -- without providing an explanation? We have to come into the Legislative Assembly -- I'm sorry, I'm on the wrong document, but I'm talking about information flow.

So, to put it in context, in the document that we are talking about, what I would like -- and I don't want the Premier to stand up and start giving me all the details because, guaranteed, he doesn't have the details and his official probably doesn't have the details either, because what I am asking for is more of a breakdown of what projects the revotes were attached to.

There is \$14 million in Community Services that has either lapsed or been revoted. What happened? Why can't there be an explanation provided about which projects were committed to and never started? Which projects were committed to, were started but got delayed? That is all we are asking. We just need a little bit of information. It is not in this document.

I don't expect the Premier to stand up and give it to me, as I said. I would certainly, however, entertain for this document a legislative return that outlines some of the details on lapses and revotes. I had a bit of it explained to me about some of the money for recoveries and revenues from Canada that we will still get. However, I would like something on paper that I can read through and understand, because, like I said, I am not an accountant. I am a sheet-metal worker. I need the explanation. Likewise with the document we will be debating next week. That is all we are asking for.

If the Premier wants to have a constructive debate about the finances of the territory, and if we want to stand here and have a constructive debate about where our priorities and principles differ or are similar, we need the information. In this new era of cooperation, I think that that is what we should be doing. Maybe if we had looked at some of this stuff in regard to legislative renewal in the last session, we would not be standing here doing this again now.

I would like to hear the comments of the Minister of Finance and Premier with regard to that. It's more about cooperation and the provision of detail by legislative return, sometime between now and Christmas, regarding lapses, revotes and that type of information.

Hon. Mr. Fentie: There is no need for legislative returns because we're soon to get into a debate in the next supplementary where, department by department, the members opposite can ask the ministers responsible exactly what the project is. That is a case in fact.

So, Mr. Chair, I have every intention of cooperating and always have, and I have been doing so this afternoon by providing answers in the detail that is required based on general debate. When we want to get into specifics, department by department, we should move to those departments. That's cooperation.

So, first and foremost, in the mains for 2006-07, we debated at length this spring the main estimate for capital and O&M. We went through the estimates, department by department, in great detail, albeit near the end of the sitting, and an enormous amount of expenditure had to be passed because of tactics -- tactics, Mr. Chair.

However, we did debate the mains that had the detail. Now we're at a juncture where we close out a year-end for this particular fiscal year. It is to wrap up a year-end and it is all about standard accounting procedures. But we've also tabled a very detailed document, the public accounts, and throughout the public accounts it shows main estimates, supplementary estimates, revised estimates, and it goes right through in what I would call a summary detail of all the transactions. And the Auditor General has approved it. This has been given approval and is unqualified in all of its facets.

So, here's the point I'm going to make. We're in general debate on the 2005-06 supplementary to close out the year-end. There are total amounts of funds that are being revoted into 2006-07. So we have another supplementary on the docket, and it is *Supplementary Estimates No. 1* for fiscal year 2006-07. All departments are in this supplementary.

Therefore, in the spirit of cooperation, my suggestion is, even though 2005-06 is showing and reflecting changes, there is the method to get all the detail the members wish. That is to move into this supplementary debate and call the departments, and the ministers and the officials will provide all the detail that the members ask for. We need not charge officials to get busy here, day and night, crafting legislative returns for information that you're about to discuss on the floor of this Assembly in the coming days. That's about cooperation. That's about process. That's about the functioning of the institution.

I know that the third party will quickly recognize that. There is absolutely no doubt in my mind.

So my suggestion to the acting leader of the third party is that, in general debate for the 2005-06 supplementary, which is wrapping up a year-end, we have extensively provided the detail that reflects in a general nature what is transpiring, what the transactions and the rationale are and the requirements therein. And everything now flows into fiscal year 2006-07 and the *Supplementary Estimates No. 1* for that fiscal year, and there

we can get into a great deal of detail, department by department, line by line, minister by minister.

So when we talk about cooperation, Mr. Chair, after 10 years of being in this Assembly, I have observed something that I think is critical to legislative renewal. In Committee of the Whole, general debate, its repetitiveness -- and when I say "meaningless", it is intended to point out that we are going to go through all of that again in detail once we are out of general debate and going through it department by department and/or line by line.

I have no problem staying in general debate for however long it takes, but let's be clear: I'm not going to have Finance officials or department officials toiling away, writing legislative returns, when the information that they are putting on paper at great cost is going to be discussed and debated on the floor of the Legislature probably next week, as we continue throughout the course of this sitting. It's not being uncooperative; it is being sensible. It is reflecting good management, good governance and an understanding of what it takes to govern the territory and ensure that we are living up to our obligations and responsibilities, legal and/or otherwise.

If we reflected back in *Hansard* over the years, the members opposite will argue my point. They will say it is their right to ask questions. I couldn't agree more, but it is also the government's responsibility to point out that there are, at times, flaws in that approach, and we are merely suggesting that we could be more constructive by getting into department-by-department and line-by-line discussions where the detail is.

I am not going to get into a great deal of detail here with 2005-06. There is no need to. There has been a debate of the mains at great length, department by department, line by line. We have done our year-end. The public accounts have been tabled and made public with even more detail at the members' disposal. We have tabled a supplementary to close out the year-end that gives us the transactions. It is the accounting and/or the bookkeeping. I encourage the members opposite, as quickly as possible, considering that they have concerns about certain areas of those transactions, to get into the debate with the related departments where those concerns are, and all will become clear.

Mr. Chair, once again I submit to the House that general debate should clear and we get on with the constructive debate in detail of the finances of the territory.

Mr. Cardiff: I know the Premier understands exactly what I was talking about. We've only got 25 minutes left today, and it would be great to clear this. There's no doubt in my mind that I'd like to do that. We're not going to make much progress on the next budget bill today even if we did get started.

This is a prime example of what I was trying to get around and get across to the Premier. He is basically doing exactly what he is saying that we are doing, which is wasting time. I don't want to waste time. That's why we are asking for the detail, and I think I understand what he is saying about the 2005-06 supplementary. The information is contained in the next document. Unfortunately I disagree with him. There are substantial amounts of money for which there is no explanation. There is \$32.5 million in a department that the Premier himself

is responsible for. It describes which area of that department it is in, and it's described by two words, but it doesn't describe what the government's priorities are or what their intentions are for the \$32.5 million. Flip the page. There's another department that the Government House Leader is responsible for. The budget line item in that one is now \$104 million. It was \$91 million. We are adding \$13 million and it's described by two words.

We are saying that we want to know the government's intent. I am not asking officials to go away and prepare a legislative return that specifically describes what that \$13 million is for in health services or what the \$32.5 million is for in northern housing, but I would like something.

Some Hon. Member: Point of order.

Point of order

Chair: Order please. Minister of Finance, on a point of order.

Hon. Mr. Fentie: Order please. I hesitate to interject in this manner, but to the best of my ability I have come up with what appears to be the problem. The government side is debating the 2005-06 supplementary and the Member for Mount Lorne is debating the supplementary for 2006-07.

Given that the call for general debate was *Supplementary No. 2*, for 2005-06 --

Chair's ruling

Chair: Order please. The Chair believes that the problem has arisen because we have been debating back and forth on two different bills. We do have to stick to the bill at hand, which is Bill No. 2.

INTRODUCTION OF VISITORS

Hon. Mr. Fentie: If I may, with the indulgence of the House, I would like to turn our attention to the gallery and introduce and make welcome two former MLAs from this fine institution: Mr. Ken McKinnon and Mr. David Millar. Let's make them very welcome.

Applause

Mr. Cardiff: I understand why the Premier stood up on a point of order. It was because he didn't understand the point I was trying to convey. It is about the sharing of information. What I am saying is that when we do get to debate that bill, we don't have the same information. What he is saying is that we can ask the minister for the details of those projects. Why can't we get some of the details of those projects before we have to debate these kinds of documents?

The Premier is saying, "They're in the mains." And therein lies the exact problem -- it's because, when we were debating the mains, you couldn't get the information. It was like pulling hens' teeth.

Now, if we're going to do some sort of legislative renewal thing in here, and we're going to have the constructive debate that the Premier wants to have, then we need some information. That seems to be the crux of the problem. That's all I'm asking for. And I'll stand down on my request about the lapses and the revotes if I can get more detailed information that we weren't

provided with when we debated the mains, because when you ask a question about a project -- a simple question -- you get a 20-minute speech about everything but what you asked for. That's not constructive debate about the finances of the territory.

I'm not saying we're perfect over here, either. We're trying to make our points, but if we had the information, then we could debate those points. We could have a debate about the priorities -- whether they're the same, whether they're different -- and we could have a discussion about spending priorities, our philosophies, and the finances of the territory and how we view that. But without the information, we don't have much of an opportunity to really have that constructive debate because we spend most of our time asking questions about information, I believe, we should have had in advance.

It shouldn't be a game of hide and seek as to where the government's spending priorities are and what the details of those spending priorities are. The ministers have the briefing books. Maybe there is some stuff in there that we can't have. I've been to enough budget briefings and departmental briefings. They come in with big three-ring binders full of paper. You ask them a question, and they go through it, and there it is. It's right there. Okay. So you get an understanding of what that is. But we're talking about a three-ring binder that's three inches thick. It has tons of paper in it, and we're not privy to that information, and maybe we shouldn't be privy to all of it, but we should at least -- I mean, if you have a modicum of respect for the institution and the job that we're trying to do here, and if we're going to have that constructive debate, you need to share the information or we'll never, ever be able to debate the differences in our priorities and our philosophy. And that's what we're supposed to be doing here. It's not about wasting time in the Legislature.

I can't say any more about it, because I think that there is probably no more to say. Unless somebody else wants to speak, I think we should move on.

Hon. Mr. Fentie: You know, Mr. Chair, with the greatest respect to the Member for Mount Lorne, I have to point out that there was a technical briefing on these matters when it came to the spring sitting for the main estimates of 2005-06. There was a technical briefing. There was a debate. The government side tables the business of the House. The management of time in the House and the debate therein is solely the responsibility of the opposition benches. The government side can't help when the Member for Kluane rags the puck.

For the Member for Mount Lorne, I want to assure him and comfort him that the detail the member seeks will be available to all members should they choose to ask the questions of the appropriate ministers when the related department is up for debate.

It is not for general debate, Mr. Chair. General debate is an executive summary/overview of the accounting and transactions that have transpired. In second reading and in introductory remarks to Committee, I have gone into detail into what those transactions and accountings are. I am quite taken aback that the member thinks that we haven't provided anything, be-

cause we have provided quite a bit here today in terms of detail. It is all on the public record. What I am suggesting, considering that the member wants to engage on some specific matters, is that we can do that by getting into *Supplementary Estimates No. 1* for 2006-07, department by department, line by line. Mr. Chair, given the details raised by the opposition benches, I suggest that we clear the 2005-06 supplementary as it is nothing more than closing out the year-end. There has been a very detailed public accounts document outlining all the transactions for the fiscal year from day one to the close out of the year 2005-06. Moving forward constructively and cooperatively is the course of action we should take.

Thank you very much, Mr. Chair.

Chair: Is there any further general debate? Seeing none, we will move on to department-by-department debate.

Point of order

Chair: Point of order, Mr. McRobb.

Mr. McRobb: Mr. Chair, I'm just wondering if there's an appetite to clear the remainder of the bill all in one package. If there is, we can come forward with the lines to do that.

I would request the unanimous consent of the Committee to deem all clauses, schedules and the title in Bill No. 2, *Fourth Appropriation Act, 2005-06*, read and agreed to.

Unanimous consent re deeming all clauses of Bill No. 2 read and agreed to

Chair: Mr. McRobb is requesting unanimous consent to deem all clauses, schedules and the title in Bill No. 2 read and agreed to. Is there unanimous consent?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

Clauses 1 to 3 deemed to have been read and agreed to

On Title

Title agreed to

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

I move

THAT Bill No. 2, *Fourth Appropriation Act, 2005-06*, be reported without amendment.

Chair: It has been moved by Mr. Fentie

THAT Bill No. 2, *Fourth Appropriation Act, 2005-06*, be reported without amendment.

Motion agreed to

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

Chair: Mr. Cathers has moved that the Speaker so now resume the Chair.

Motion agreed to

Speaker: I will now call the House to order.

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

Chair's report

Mr. Nordick: Committee of the Whole has considered Bill No. 2, *Fourth Appropriation Act, 2005-06*, and directed me to report it without amendment.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

GOVERNMENT MOTIONS

Motion No. 7

Clerk: Motion No. 7, standing in the name of the Hon. Mr. Cathers.

Speaker: It is moved by the government House leader THAT the Hon. Speaker, pursuant to Standing Order 45(2), be appointed chair of the Members' Services Board;

THAT Hon. Dennis Fentie, Arthur Mitchell, Todd Hardy, and Hon. Brad Cathers be appointed to the Members' Services Board;

THAT the Board consider:

(1) budget submissions for the following votes:

- a) Legislative Assembly;
- b) Ombudsman, including Information and Privacy Commissioner;
- c) Conflicts Commission; and
- d) Elections Office; and

(2) policy questions concerning matters such as:

- a) space allocation;
- b) staffing;
- c) caucus funding;
- d) media gallery House rules; and
- e) *Hansard*; and

THAT the Board fulfill its statutory responsibilities, including those in the *Legislative Assembly Act*, the *Legislative Assembly Retirement Allowances Act*, the *Elections Act*, the *Conflict of Interest (Members and Ministers) Act*, the *Ombudsman Act* and the *Cabinet and Caucus Employees Act*.

Hon. Mr. Cathers: As members will be aware, this motion is a standard motion required at the beginning of every new Assembly and is the standard composition, that being the leaders of the three parties and the government House leader, and I would commend it to the House.

Motion No. 7 agreed to

Motion No. 8

Clerk: Motion No. 8, standing in the name of the Hon. Mr. Cathers.

Speaker: It is moved by the government House leader THAT the honourable members Arthur Mitchell, Steve Nordick, John Edzerza, Hon. Glenn Hart, Don Inverarity, Hon. Marian Horne and Hon. Patrick Rouble be appointed to the Standing Committee on Public Accounts established pursuant to Standing Order 45(3);

THAT the said committee has the power to call for persons, papers and records and to sit during intersessional periods; and

THAT the Clerk of the Legislative Assembly be responsible for providing the necessary support services to the committee.

Motion No. 8 agreed to

Motion No. 9

Clerk: Motion No. 9, standing in the name of the Hon. Mr. Cathers.

Speaker: It is moved by the government House leader THAT the honourable members Steve Nordick, Darius Elias, John Edzerza, Hon. Brad Cathers and Hon. Jim Kenyon be appointed to the Standing Committee on Statutory Instruments established pursuant to Standing Order 45(1);

THAT the said committee have the power to call for persons, papers and records and to sit during intersessional periods;

THAT the said committee review such regulations made following the date of its appointment as it may decide upon;

THAT the said committee review such other existing or proposed regulations as are referred to it by the Assembly; and

THAT the Clerk of the Legislative Assembly be responsible for providing the necessary support services to the committee.

Mr. McRobb: From time to time, when this motion comes forward, I would like to know if anyone knows when the last time was that this committee met. Can someone give us a date or even a year as to when the last time this committee met?

Speaker: There are provisions to ask questions in the passing of this motion. We will take your questions into consideration.

Motion No. 9 agreed to

Motion No. 6

Clerk: Motion No. 6, standing in the name of the Hon. Mr. Cathers.

Speaker: It is moved by the government House leader THAT the honourable members Steve Nordick, Gary McRobb, Steve Cardiff, Hon. Elaine Taylor, Darius Elias and Hon. Brad Cathers be appointed to the Standing Committee on Rules, Elections and Privileges established pursuant to Standing Order 45(1);

THAT the committee elect its chair from the government caucus members appointed to it;

THAT the chair of the committee be required to participate in all votes before the committee;

THAT the said committee review, as necessary, such Standing Orders as it may decide upon;

THAT the said committee, following the conduct of any such review, report any recommendations for amendment to the Assembly;

THAT the said committee have the power to call for persons, papers and records and to sit during intersessional periods; and

THAT the Clerk of the Legislative Assembly be responsible for providing the necessary support services to the committee.

Hon. Mr. Cathers: I would like to draw members' attention to the fact that this committee, of course, is also a standard committee motion in large part. However, it has been modified from past practice in that the government, in efforts to be collaborative and cooperative with the opposition and moving forward as step 1 in our platform commitment to legislative renewal, has agreed to equalize the membership on the committee of government and opposition members and therefore have reached the historic agreement that there will be three government members on the committee, three opposition members. The chair will be from the government members and will participate in all votes.

We on this side will certainly make every effort to cooperate with the opposition in moving forward, and we certainly hope that that cooperation will be forthcoming from the other side.

Motion No. 6 agreed to

Hon. Mr. Cathers: Mr. Speaker, I move that the House do now adjourn.

Speaker: It has been moved by the government House leader that the House do now adjourn.

Motion agreed to

Speaker: This House stands adjourned until 1:00 p.m. Monday.

The House adjourned at 5:28 p.m.

The following documents were filed November 30, 2006:

06-1-1

Unauthorized occupation of area near Copper Point Airstrip: letter from Michael Winstanley, Legal Counsel, Natural Resources & Environmental Law Group to Bonnet Plume Outfitters (dated October 19, 2006) (Fairclough)

06-1-2

Yukon Housing Corporation, response to questions in Committee of the Whole: letter from the Hon. Jim Kenyon, minister responsible for Yukon Housing Corporation to Steve Cardiff, MLA, Mount Lorne (dated Feb. 27, 2006) (Cardiff)