

**Whitehorse, Yukon****Monday, March 31, 2008 -- 1:00 p.m.**

**Speaker:** I will now call the House to order. At this time, we will proceed with prayers.

*Prayers*

**DAILY ROUTINE****Withdrawal of motions**

**Speaker:** The Chair wishes to inform the House of a change that has been made to the Order Paper. Motion No. 251, standing in the name of the Minister of Health and Social Services, has been removed from the Order Paper at the minister's request.

We will proceed at this time with the Order Paper. Tributes.

**TRIBUTES****In recognition of the Girl Guides of Canada**

**Hon. Mr. Hart:** I rise this afternoon to pay tribute to Girl Guides of Canada, particularly the Yukon chapter as they launch cookie week across Canada in our Yukon communities. This organization has inspired thousands if not millions of young women the world over.

The Girl Guide movement began in 1909 in response to work that Lord Baden-Powell was undertaking in creating scouting for boys. During a scouting rally in London that 11,000 boys had gathered to participate in, a large but uncounted number of girls also showed up and demanded entry into the rally as well. Lord Baden-Powell was so impressed with their desire to participate that he asked his sister Agnes to create a similar program just for girls. So was born the Girl Guide movement, which has grown significantly since that fateful day.

The Girl Guide movement grew rapidly, thanks in part to Agnes and later, to Baden-Powell's wife, Olive, Lady Baden-Powell, who toured the United Kingdom tirelessly promoting Girl Guides wherever she went. Today, Girl Guides are active in 144 countries and boast a membership numbering in the millions.

Girl Guides began in Canada in 1910 with chapters formed in every region of the nation. While many will associate Girl Guides with the selling of their famous and delicious cookies, as an annual fundraiser for their organization, Girl Guides have provided a number of important services during their history. Girl Guide leaders have always tried to prepare girls to meet the challenges that they face in their lives head on -- whether it was Agnes Baden-Powell teaching girls to bandage wounds during World War I, or today's focus on teaching girls to think critically about beauty magazines and self-image and their individual happiness. Guiding has always been dedicated to helping girls be confident in themselves and to contribute to their community.

There are a number of prominent women who can say their lives were influenced by their association with Girl Guides, from the Queen Mother to Roberta Bondar, Canada's first fe-

male astronaut, who was also a doctor and a scientist before her space adventures began. Ask a woman who has been a Girl Guide about the meaning and the value it has played in their lives and they will undoubtedly share with you some very profound and valued memories of how their lives were influenced by this highly respected organization and the camaraderie of their fellow Guides.

I am honoured to acknowledge the excellent work and guidance of the Girl Guide movement that is provided to women of all ages around the world.

I urge Yukoners to support the organization during cookie week, and I know that I speak for all in this House when I say we will wish them continued success. May the international Girl Guide organization continue to make such a positive difference in so many lives.

Being as it is a tradition to provide a box of Girl Guide cookies, I will undertake to ensure that every member of the Legislature gets a box of cookies on behalf of Girl Guides of Canada.

**In recognition of National Aboriginal Languages Day**

**Mr. Edzerza:** I rise on behalf of the Legislative Assembly to pay tribute to this day, March 31, as National Aboriginal Languages Day, which was established by a special Chiefs Assembly on Education.

The history in Canada around aboriginal languages has not always been a positive one. One of the most destructive acts of those in charge of residential schools was to forbid the use of aboriginal languages. Children were punished if found using their first language. In many cases, the aboriginal language was the only one some children knew.

It may have been done with the objective in mind of supporting First Nations to have English language skills, which was essential in the dominant society, but the results have been devastating.

Language is culture. A person's thinking patterns, values and actions are the culture. Culture is expressed most clearly in the process of language use. Daily use of the language means that the culture is strong and is passed on.

First Nations' traditional culture has been gravely affected by the imposition of mainstream languages such as English and French. In the Yukon, there is a strong voice from our people. We are anxious to preserve our language and heritage. The territory has responded. First Nation languages are part of the curriculum of our schools. For decades, the Yukon Native Language Centre trained community language instructors, developed dictionaries and advocated preservation of the Athabaskan and Tlingit languages. Many of our elders continue to use aboriginal languages and encourage children to learn them. Aboriginal languages are used in many First Nation administrations of government, but there is still a serious concern about the threat of extinction of these languages.

Several languages across Canada have been declared extinct or are used only in ceremonies. More can and must be done here by all governments and First Nation speakers.

We can all be instrumental in actively using these essential tools of our culture.

Mr. Speaker, I am one of those First Nation people who was never taught my Tahltan language. I could not communicate with my grandmother because she only spoke Tahltan, no English. Mr. Speaker, the sense of loss is indescribable in words.

Thank you.

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

## INTRODUCTION OF VISITORS

**Hon. Ms. Taylor:** I would ask all members to join me in extending a warm welcome to the Austria Ambassador to Canada, His Excellency Dr. Otto Ditz, and Ms. Maureen Ditz, who is also accompanied by Ms. Trudy Duller, Acting Consul General of the Consulate General of the Republic of Austria. Also joining with us is Pamela Bangart, our protocol officer.

*Applause*

**Speaker:** Are there any further introductions of visitors?

Are there returns or documents for tabling?  
Are there reports of committees?  
Are there any bills to be introduced?  
Are there any notices of motion?

## NOTICES OF MOTION

**Mr. Nordick:** I rise today to give notice of the following motion:

THAT this House urges the Government of Yukon to undertake a review and assessment of all community solid waste facilities across the Yukon, and to develop a strategy to implement best practices for Yukon solid waste facilities appropriate for each community.

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

THAT this House urges the Deputy Premier to explain to Yukoners why she said in this Legislature there would not be a loss on the \$36.5 million in investments made by the Government of Yukon when in fact there has been.

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

THAT this House urges the Government of Yukon to create more supportive housing units for Yukoners afflicted with fetal alcohol spectrum disorder so that no one suffering from FASD ends up homeless and on the street.

**Mr. Cardiff:** I give notice of the following motion:

THAT it is the opinion of this House that

(1) under previous federal Liberal governments, a huge surplus was accumulated from unemployment insurance premiums paid by workers and employers;

(2) the Conservative government has recently announced the creation of an independent Crown corporation, the Canada Employment Insurance Financing Board, the CEIFB;

(3) the CEIFB will begin with a cash reserve of \$2 billion, which is significantly less than the accumulated EI fund surplus of \$54 billion, as of the end of 2006-07; and

THAT this House urges the minister responsible for the Yukon Housing Corporation to use his meeting with the federal Minister of Human Resources and Social Development to ask that minister to increase the cash reserve of the CEIFB, and to explain to Canadian workers what has happened to the \$54-billion surplus from the EI fund.

**Mr. Hardy:** I give notice of the following motion:

THAT this House urges the Standing Committee on Rules, Elections and Privileges to adopt clear rules that will allow members of the Yukon public who will be directly affected by any significant new legislation that is being proposed to appear as witnesses before Committee of the Whole when that legislation is being considered; and

THAT this House urges the Government House Leader to make appropriate arrangements with the opposition House leaders to facilitate the appearance of witnesses during Committee of the Whole debates on such legislation.

I give notice of the following motion:

THAT this House urges the Minister of Economic Development not to pursue any further trade talks with Chinese officials or companies until there is a clear demonstration of willingness by the leadership of the People's Republic of China to negotiate a peaceful reconciliation of the current conflict with the people of Tibet and to make steps toward recognizing the sovereignty of Tibet as a distinct culture and political entity.

**Speaker:** Are there any further notices of motion?  
Is there a statement by a minister?

This then brings us to Question Period.

## QUESTION PERIOD

### Question re: *Liquor Act* amendments

**Mr. Inverarity:** Last Thursday, the minister in charge of the Yukon Liquor Corporation admitted that Cabinet ministers who had interests in hotels were part of the *Liquor Act* review. He said, "For the record, there were two ministers who owned hotels. I spoke at length with both of them..."

I believe the public is very interested to hear more about these conversations. This minister spoke at length about his Cabinet colleagues, about legislative changes that would affect a private business interest. Why should we believe these private discussions were serving the best interests of Yukoners?

**Hon. Mr. Kenyon:** The question asked last week by the Member for Porter Creek South clearly stated his time frame of October 2002 and referred to our election campaign. He also referred to the two members as ministers. The discussions did occur in that time frame and during the consultations done by the government of the day in 2001.

I would remind the member that we were not elected at that time. We weren't members of this House; we weren't ministers. The discussions occurred during the development of our platform, and actually only occurred because I had a personal interest in the *Liquor Act*. It has been a matter of great interest to my constituents in Porter Creek North.

The matter was not given a priority because we had much work to do in substance abuse strategies. Once elected and taking government, no minister or member who is in a conflict of interest has participated in any discussions on that matter.

**Mr. Inverarity:** I'm not convinced and neither is the public, Mr. Speaker.

During the 2002 election campaign, the B.C. and Yukon Hotels Association wrote a letter to the Premier asking about changes to the *Liquor Act*. In its letter, the association opposed making changes. In particular, they had serious concerns about the dilution of revenue streams by the introduction of neighbourhood pubs. Neighbourhood pubs would mean less money for people who already own hotels. The two ministers who were involved in discussions about the changes to the *Liquor Act* would be affected by the proposed changes to the act.

Are we to believe that the six-year delay in bringing forward these changes to the *Liquor Act* had nothing to do with the backroom conversations that this minister had with his political colleagues?

**Hon. Mr. Kenyon:** The delays in addressing the *Liquor Act* all centred on the ability to deal with the recommendations and regulations rather than in legislation. For our listeners, this would mean that the corporation and the Cabinet could simply make changes without having to completely redraft the act. This turned out to be not the case.

This work was going on while we promoted our substance abuse action plan, and we developed an excellent strategy, through the Department of Health and Social Services, to deal with alcohol-related problems. It was time to modernize the act and to bring it into the 20<sup>th</sup> century at that point.

At no time did any minister in a conflict of interest, participate in discussions or be present at any meetings related to this. All discussions, as the Member for Porter Creek South asked, were prior to the 2002 election. If he doesn't like the answer, then maybe he should ask better questions, but the substance abuse action plan had to come first. That was the priority.

**Mr. Inverarity:** Popycock. Last week the minister admitted that when the government looked at changes to the *Liquor Act*, the two ministers who owned hotels at the time were part of those discussions. He also told a local radio station he had discussions with another hotel owner who happened to be the Yukon Party campaign manager. In a meeting this week department officials confirmed that this government did no public consultations on changes to the *Liquor Act*. How can we believe that this government is acting in the best interests of Yukoners when they consult with their political insiders about making changes to the liquor law, but they won't consult with the public?

**Hon. Mr. Kenyon:** For the member opposite, I do have concerns over a conflict of interest in this matter. The Member for Copperbelt, the Leader of the Liberal Party and chair of the Public Accounts Committee, has also filed a declaration with the Legislative Assembly that indicates he owns two hotels and holds two liquor licences. Yet this morning, on CHON FM --

**Some Hon. Member:** (Inaudible)

### Point of order

**Speaker:** Order please. The Member for Copperbelt, on a point of order.

**Mr. Mitchell:** Mr. Speaker, that's not what the declaration shows. It shows a very, very minute interest and no decision-making capability. I think it's being misrepresented here and should be clarified. When the member speaks, he speaks of an opposition member who is a very, very small shareholder, not of anybody who is a decision maker.

**Speaker:** On the point of order.

**Hon. Mr. Kenyon:** On the point of order, Mr. Speaker, the documents do show that he is a shareholder of Northern Visions, which does hold two liquor licences and owns two hotels. We're not talking about percentages here; we're talking about being honest with the Yukon public.

### Speaker's ruling

**Speaker:** From the Chair's perspective, there is no point of order. Obviously the Chair does not have the documents in front of him to be able to make those decisions in what happens outside of this Legislative Assembly. So, based on the information I have received here, there is no point of order.

**Hon. Mr. Kenyon:** This is a clear mixing, as the member opposite put it, of public interest and private interests. Mr. Speaker, I do realize that the leader is under extreme pressure from his party. At this point, I would like to table the transcript of the documents this morning that I am referring to.

I do realize that no knives are as sharp as Liberal knives, since being elected leader and snatching defeat from the jaws of victory with such a clear violation of conflict-of-interest rules might well suggest that this member should resign.

Actually, I'm sorry, Mr. Speaker --

### Speaker's statement

**Speaker:** You're done. Thank you. Order please.

I had these discussions with my staff earlier, just in case the issue of conflict of interest came up. One member cannot accuse another member of being in conflict of interest. You can ask questions about that conflict, but you cannot accuse one member of being in conflict of interest. I'm loathe to interrupt debate here today, members; however, if this carries on, I will most certainly do that.

### Question re: *Liquor Act* amendments

**Mr. Mitchell:** I have some questions for the Minister of Energy, Mines and Resources; let's see what he has to say about all of this. Last Thursday, the minister responsible for the Yukon Liquor Corporation spilled the beans -- or should I say, "the beer."

He admitted that he discussed the proposed changes to the act with his Cabinet colleagues who owned hotels at the time, including the Minister of Energy, Mines and Resources. He stated "two ministers," Mr. Speaker, not "two candidates for election". One of the changes being considered was getting rid of the room requirement for hotels to hold liquor licences. This

change would allow neighbourhood pubs to open. This change would put a dent in the bottom line of existing hotel owners, such as the minister. His colleague has admitted on the floor of this House that these conversations took place.

My question for the Minister of Energy, Mines and Resources: will he admit that he discussed amendments to the *Liquor Act* with the minister responsible while he owned a hotel and was a minister?

**Hon. Mr. Kenyon:** I would remind the member opposite to review *Hansard*, where this member's question was, "... in October of 2002, the Yukon Party declared as part of its election campaign...". He then goes on later, "At that time, two government ministers owned hotels."

For the member opposite, during that time, it was a Liberal government, however short lived -- and a lot of people like to forget that. It was a Liberal government and no ministers owned hotels. The discussions came in the presentation and preparation of documents for the party platform; they did not occur in government; no ministers were involved in those discussions, nor have they been since.

**Mr. Mitchell:** I think we're getting a revisionist history lesson here, because the minister responsible for the Liquor Corporation actually acknowledged the question and said that for the member's information, there were two ministers.

Yukoners want an explanation from the minister himself, so I hope the Minister of Energy, Mines and Resources, who owns several hotels, could answer. The B.C. and Yukon Hotels Association was strongly against allowing neighbourhood pubs in Yukon. They said it would hurt existing hotel owners, such as the minister. Now we learn that the minister discussed the possible changes with his colleague, who is responsible for the Liquor Corporation.

Did the Minister of Energy, Mines and Resources ever consult with the Conflicts Commissioner about meetings and, if not, why not?

**Hon. Mr. Kenyon:** There were discussions with colleagues -- other candidates in the general election of 2002. None of us were elected; none of us were in government; none of us had any power to do anything; and none of us were in conflicts of interest at that point.

We had discussions about the issue; we decided the substance abuse policies needed to be addressed first, and we as a party continued to have those discussions without any of the now ministers, who are in a conflict of interest. They did not participate in any discussions at any time and have not been present for any of the meetings relating to this.

**Mr. Mitchell:** I think the record will show that it was this minister who made reference to them as ministers. I want to point out that he is the only one who is using the term, "conflict of interest".

What we want to know is -- in 2003, 2004, 2005, 2006, 2007, the Minister of Energy, Mines and Resources has a lot of explaining to do. He apparently took part in discussions about the new *Liquor Act* while he owned a hotel. This admission raises some questions that need to be answered. Why was the minister in backroom discussions about potential changes to the

*Liquor Act* when he owned a hotel and knew the changes could have an impact on his business interests?

There was insider information on the table that could have a serious financial impact on private business interests, so I'll ask the Minister of Energy, Mines and Resources again: has he brought this information to the attention of the Conflicts Commissioner, and if he hasn't, will he agree to do so today?

**Hon. Mr. Kenyon:** Again, I would remind him to read *Hansard*. It was his own Member for Porter Creek South who referred to government ministers owning hotels, and it's very easy to continue that terminology. In fact, these people were not ministers at the time of the discussions.

For the member opposite, who claims that no one has ever mentioned conflict of interest, it appears to me to be fairly clear that that was the implication this morning in his radio interview. I do wish that the member opposite would try to stick with facts, and I do point out that as the only member in government at this point who owns a hotel, is he getting nervous about the Liberal Party platform in the past?

**Some Hon. Member:** (Inaudible)

#### Point of order

**Speaker:** On a point of order, the Member for Copperbelt.

**Mr. Mitchell:** As much as I appreciate the compliment, I will remind the minister that I'm not in government and there is a big difference between being in government and being in opposition. But I thank the minister --

#### Speaker's ruling

**Speaker:** Order please. Order please.

The purpose of a point of order is to advise the Speaker on how the rules have been breached. Honourable member, there was no point of order there. Obviously we will carry on now.

**Hon. Mr. Kenyon:** I do agree with one thing from the member opposite: he is not in government, and people across the Yukon are very thankful for that.

#### Question re: Child advocate

**Mr. Edzerza:** We have heard from various groups involved in the care of children and from some First Nations about the government's response to recommendations they made during five years of consultations. There was great concern expressed about the need for a child advocate position.

We recognize that the new act has a section that will eventually facilitate the establishment of this service.

The child advocate is more than just a lawyer standing for the child in court. The position is one that should involve policy development and public education. But, more than that, it is a sensitive position that develops trust by children, parents and extended family under the care of the *Child and Family Services Act*.

Will the minister outline his view of the location, role and responsibilities of the proposed child advocate?

**Hon. Mr. Cathers:** I appreciate the member's comments.

As the member will know from the briefing provided to him by staff of the Department of Health and Social Services, and in response to some of the comments heard in the final stages of consultation, we are pleased to make this change to the act, which commits to establishing a child advocate position, but we will be working with stakeholders on the development of that position and the location of that position.

I would also remind the member -- in response to his comments -- that he referred to "consultation". This was not a "consultation" process. I have to remind him that the Yukon government embarked upon a process that had never occurred before in the Yukon and that was jointly working with First Nations in going out, jointly hearing from the public, jointly developing the policy around the new *Child and Family Services Act*, and, finally, jointly informing the legal drafters.

So, again, I would urge the member not to diminish that involvement.

**Mr. Edzerza:** The government did consult people in the territory, so what is that if it isn't consultation? There are sections in the bill that deal with the possible establishment of First Nation service authorities. These authorities can be put in place by agreements with the minister, and powers in the act can be delegated in the agreements. The negotiation of these powers is allowed under First Nation final agreements. What concrete steps is the minister taking to support First Nations with training, mentoring and financial assistance so that they can draw down child welfare responsibilities if they choose to?

**Hon. Mr. Cathers:** Mr. Speaker, unfortunately the member has the situation a little bit mixed up. He doesn't quite understand what this bill does. This bill, once passed into law, does not diminish First Nations who have settled self-government agreements, drawing down their authority in this area; however, it provides the ability for First Nations outside a program and service transfer agreement process and the formal negotiation thereof. It provides an ability for them to contract with the Government of Yukon under our legislation to provide services to their citizens. So that is a very different and distinct process from the PSTA process.

**Mr. Edzerza:** Well, Mr. Speaker, the minister claims that the new act allows for a more inclusive process for First Nations and others in situations where children are in need of protection. The act says that First Nation service agreements can be withdrawn by a letter from the director of family and children services. If the service is withdrawn, the minister can appoint an administrator to manage the First Nation service authority. This is not the case for any other service providers that the department is involved in, including residential facilities, adoption agencies and other groups. Why is this distinction being made, and how does the minister reconcile these sweeping powers in the hand of the director and the minister with the claim of a more inclusive process for First Nations?

**Hon. Mr. Cathers:** Because it is a more inclusive process. The member is again simply confusing the facts around this matter. In reference to residential facilities and the powers of the director, the member should be aware that, in fact, for four facilities the Yukon government contracts to provide services, such as group homes, and those powers already

exist. It is not something unique to First Nation service authorities, if such are developed.

The new act does not diminish the ability of self-governing First Nations to draw down powers through a formal negotiation under their final agreement. This is an ability within Yukon legislation for them to participate within the Yukon system and deliver those services.

As I've reminded the member before in the House, I would urge the member to actually pick up a copy of the current *Children's Act*, read it, and then read the new *Child and Family Services Act*. The member will understand that in fact the new act places less sweeping powers in the hands of the director and individual workers and provides far more ability for involvement of First Nation governments and, very importantly, far more involvement for the family of any person or individuals involved in child protection matters.

This is a good act and I would urge the member to review both, side by side, and he'll see that.

#### **Question re: China-Yukon government relations**

**Mr. Hardy:** There's a rally in downtown Whitehorse scheduled for 4:00 p.m. in support of the Global Day of Action on Tibet. Like many other Yukoners, our caucus has been watching recent events in Tibet with a great deal of alarm.

On the first day of this sitting, I tabled a motion calling on our federal government to convey the deep desire of Canadians to see a peaceful reconciliation between the people of Tibet and the People's Republic of China.

The Yukon's Minister of Economic Development has been actively pursuing economic links with China. In fact, at a departmental budget briefing last week, we learned the minister is planning another trip to China this fall.

In his meetings with Chinese officials, has the minister made any attempt to express concern that Yukoners have about China's appalling record of human rights abuses or its involvement in conflicts in areas like Burma, Darfur and Tibet?

**Hon. Mr. Fentie:** We value the work being done today to encourage offshore investment here in the territory; it's all part of growing and diversifying our private sector economy, and this government, under the leadership of the Minister of Economic Development, will continue to do that.

The Leader of the Third Party well knows that this particular issue is of -- what I would say -- an international priority for many countries, including Canada with the support of provinces and territories who have constantly through our national government voiced our concern about the human rights issue in China. It's an ongoing challenge in the global community, and I'm sure our national government will continue to impress upon their counterparts in the Chinese government the need to address some of these very serious, serious circumstances.

**Mr. Hardy:** Frankly, I find that an extremely hollow argument, and it's passing the buck. There are people dying today, standing up for their values, for their rights, and to say our national government is good enough to convey the message that Canadians are concerned about this is not good enough, because we can make a statement in the Yukon and add our voice for people and their rights and democracy around this country. It's a shame to hear this kind of argument.

Now, let's not beat around the bush here. China wants many of the resources that Yukon has in abundance. They want our resources -- the Yukon people's resources. Chinese companies are all looking for opportunities to invest in the Yukon.

Is the minister willing to do business with China at any cost, or is he prepared that we need to see a marked improvement in China's human rights record before we go much further in terms of encouraging trade deals?

**Hon. Mr. Fentie:** Mr. Speaker, I actually take exception, as I'm sure past national governments and the current government of today in Ottawa would take exception to a comment like that about their role in international affairs as "passing the buck". Their role is critical in international affairs and, as I just said, all provinces and territories are supportive of our national government on an international stage to make sure that Canada is a leader in ensuring human rights across the global community are being addressed. That is exactly what is transpiring today.

The correlation of the Leader of the Third Party to some Chinese companies expressing interest in resources available in Yukon and expressing the possible desire of investing in Yukon is not something that we turn our backs on. Of course, we'll listen to those proposals, and we are out there encouraging and soliciting investment from the global community. This government has taken the Yukon Territory from a situation that was once a migration of our workforce out of the territory, of our private sector out of the territory, of investment out of the territory, and turned that around to where all of that has changed in today's Yukon, and it has improved the quality of life of Yukoners.

**Mr. Hardy:** Well, this Premier can take all of the exceptions he wants on the comments that I make, but I stand by them. I am disgusted, Mr. Speaker, that we as Yukon people and our government are willing to cut any trade deal just for profit, over the values and rights and lives of other countries and the people in those countries. Tibet is a country too and so are Darfur, Thailand and Burma; they are all countries and they are all being oppressed. They are all being oppressed by their governments there, and we have the ability to have a say here, Mr. Speaker, because we're cutting trade deals.

Given the destructive role of China in providing arms in Darfur and other conflicts, has the minister had any second thoughts about this arrangement that he announced a few weeks ago, or is it all just business as usual, which it seems to be with this Premier?

**Hon. Mr. Fentie:** I understand the emotional connection to this issue for the Leader of the Third Party, but when it comes to government and leadership, there are always many more elements we must address and deal with.

This government does not in any way -- because we might have some business interests in this territory between the corporate community of Yukon and the corporate community of China -- support any contravention of human rights as we understand them to be in this territory and in this country.

Our national government, with support of all jurisdictions, through the leadership of our national government, is certainly making that well-known in the global community -- to ensure

that human rights are not being contravened across the global community. In many cases, they are, and it's an unfortunate situation the world finds itself in, but we must continue to work on it in every way possible, but not to take out of context the efforts of some who are looking to build Yukon's future and try to somehow extrapolate that into an issue of human rights. That's not good leadership; it's not good government. You must take a broader and much focused approach.

**Question re: Asset-backed commercial paper investments**

**Mr. Inverarity:** I have a question for the Minister of Justice. The Yukon government's \$36-million investment violated the Yukon Territory's *Financial Administration Act*. This should be of concern to the minister. These investments were not guaranteed by a bank, did not have the required two ratings and no legal opinion was sought before making the investments.

The Auditor General and the Justice department confirm this to be true. Our tax dollars are in limbo.

The Minister of Justice has been content to do nothing to get to the bottom of this particular matter. Will the Justice minister explain to us why there is no serious investigation going on into this matter?

**Hon. Mr. Fentie:** This is an interesting angle that the Official Opposition has now come up with, but I have to correct the record once again. The member is suggesting that there were no liquidity agreements in place. That is incorrect. It's time the Official Opposition got on with dealing with the facts.

The Auditor General also said that governments have been making this investment and regardless of whether the government investment in commercial paper was set up by domestic banks or trusts, they were both in contravention of the *Financial Administration Act*. That takes us back some 200 investments, some \$1.7-billion worth of investments, back to 1990.

So the member's point is not relevant to the facts. We as a government are working with the collective, with Ontario, with Quebec, with Air Canada, with the oversight body for the federal government superannuation fund, to ensure that the restructuring of these investments are done appropriately. I may point out today that they are under protection under the CCAA -- *Companies' Creditors Arrangement Act*.

**Mr. Inverarity:** My question was directed to the Minister of Justice. I'm quite alarmed by this trend that's going on. The Finance minister and Deputy Premier have stated --

**Some Hon. Member:** (Inaudible)

**Point of order**

**Speaker:** Order please. On a point of order, Member for Porter Creek North.

**Hon. Mr. Kenyon:** I believe, Mr. Speaker, that you ruled last week that in a collegial body, any member can answer a question. Perhaps we could remind the member opposite that his shock and horror is inappropriate.

**Speaker:** On the point of order, Member for Kluane.

**Mr. McRobb:** On the point of order, Mr. Speaker, there is no point of order. The member is merely making a

statement as part of his question and that's perfectly allowed in this Assembly.

### Speaker's ruling

**Speaker:** From the Chair's perspective, for the Minister of Economic Development's information, the ruling or the interruption -- or however I might phrase it -- last week on behalf of the Chair, was to remind the Official Opposition that Cabinet is a collegial body and any member could stand up and answer for another member. So, it wasn't directly a ruling on a point of order; therefore, there is no point of order.

**Mr. Inverarity:** Both the Finance minister and the Deputy Premier have stated, on several occasions in this House, that the Yukon government is meeting the letter of the law.

The Finance minister and the Deputy Premier have both stated that the *Financial Administration Act* was followed. The Auditor General disagreed. She stated that the *Financial Administration Act* was in fact not followed.

Yukoners want to know what is happening to their money. Are we to believe that the Minister of Justice is serious about resolving this issue when her only contribution is to block public hearings into this matter?

**Hon. Mr. Fentie:** The suggestion that the Minister of Justice has blocked public hearings is ludicrous. It has no place in this institution. It's worse than the member's view of investments by the leader of U.S. Fed, for example, in the United States of America, who is the architect of the subprime mortgage fiasco.

No one in the Yukon government knew about this issue until the Auditor General actually brought it forward herself, a few short months ago.

Two hundred investments were made, as the Auditor General pointed out, in good faith. In good faith, governments and officials were making these investments.

That could only lead us to one conclusion: that, in the past, there wasn't clarity on the definition of certain clauses in the *Financial Administration Act*. This is the only government that has acted in that regard by implementing a policy to ensure that officials are never ever again encumbered with this kind of confusion around the definition of a clause in an act, and this policy ensures no further investments can take place.

**Mr. Inverarity:** All I see are lost principal, lost interest and lost faith.

Mr. Speaker, I'm asking the minister to do her job. The Auditor General concluded these investments were not in accordance with the law. The minister's own staff, the Department of Justice, concluded that these investments were not in accordance with the law; yet, the Finance minister and Deputy Premier insist otherwise.

It can't be both at the same time. We want to know what the Minister of Justice is doing about this. How can there be justice in the Yukon when the minister ignores a breach of the *Financial Administration Act*?

**Hon. Mr. Fentie:** The only thing lost here is the lost cause of the Official Opposition on this matter. Furthermore, how does the member explain the position the Liberals in this

Assembly took a few weeks ago, when they publicly announced the Premier was under investigation? This is another misrepresentation of an ongoing collective of misrepresentations by the Official Opposition.

All the factual information the government has tabled in this House has been completely ignored. The Minister of Justice, frankly, has done her job and will continue to do her job, as every other minister on this side of the House -- unlike the Official Opposition who are failing Yukoners, have quit on Yukoners, given it up and are a lost cause.

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

## ORDERS OF THE DAY

### GOVERNMENT BILLS

#### Bill No. 11: Second Reading -- *adjourned debate*

**Clerk:** Second reading, Bill No. 11, standing in the name of the Hon. Mr. Fentie; adjourned debate, Mr. Cathers.

**Speaker:** Minister of Health and Social Services, you have about 37 minutes left.

**Hon. Mr. Cathers:** Thank you, Mr. Speaker. I won't be using all those minutes. As members have likely noticed, I'm a little croaky today from a cold, so I will be rather brief in my remarks, just touching on some of the high points and saving further remarks and more detail for later debate.

In beginning debate, I began my remarks last week by mentioning a few issues related to my constituency, the riding of Lake Laberge, so I would like to continue with comments related to my portfolios, those being, of course, Health and Social Services and Workers' Compensation Health and Safety Board. As members will notice from acts that were tabled, the department staff and staff of the Workers' Compensation Health and Safety Board administration have been very busy working on this legislation and that has required a significant amount of my time, involving both the *Workers' Compensation Act* and the pieces of legislation that were tabled by the Department of Health and Social Services.

The new *Child and Family Services Act*, as members are aware, is the result of a very major initiative and joint public consultation done by the Government of Yukon and by Council of Yukon First Nations. I would like to thank staff for their work in the joint development of policy and for jointly performing the legal drafting.

Other areas that department staff and I have been working on include the social assistance reform that was conducted last year, following the most major review of the Yukon's system ever conducted. We reviewed the structure of the system, not simply rates, as members have often engaged in debate. The recommendation from the review was to raise the rates, in particular raising the assistance for food to reflect the market-basket calculation. Our key focus was to help the nearly 70 percent who have been on and off the social assistance system by identifying what was forcing them to re-enter the system, seeing as they had demonstrated a willingness to work and an

ability to be hired but were ending up relying on social assistance for one reason or another.

As members will recall, what was identified was that, for those nearly 70 percent of the people on the total caseload, typically they encountered a large expense, such as a car breaking down or need to replace a furnace or need to buy some appliance or other things around the house and, without having significant personal resources, in most cases having virtually no personal savings, their only option was to return to social assistance. Because of the structure of the system, they were put into a place where, for the first three months of re-entering the social assistance system, every dollar they earned on the workforce was clawed back. Due to the miscellaneous expenses we all face in going to work, such as transportation, those people would mostly be worse off by working during that three-month period while taking that social assistance than if they had simply returned to social assistance and tried again at a later date.

The most important change within social assistance reform is changing the earned-income exemption to eliminate that three-month waiting period, as well as to increase the earned-income exemption from 25 percent to 50 percent for a maximum period of three years. That means that, rather than the previous structure, which allowed them to keep one dollar out of every four earned, they would be able to keep one dollar out of every two earned, thus allowing them to develop those personal savings.

However, that enhanced period being deliberately designed to assist them to re-enter the system is time limited at three years, so it prevents misuse and reflects the fact that, typically if someone is off social assistance for two years free and clear, the system never sees them return in the future.

As well, the other three areas within social assistance reform include the new program, the disabled persons' assistance program, which provides both the ability to allow more flexible support and enhanced services to those people to pay for things such as minor household modifications and some of the equipment that disabled people may need, as well as providing a little more dignity to those individuals who are long-term disabled and have no ability to work.

Secondly, on that program, those people -- who again are in the long-term disabled category -- rather than having the previous requirement that they come in for evaluation every month and prove that they are not able to work, they would require review by a doctor on yearly basis, to demonstrate indeed if they are long-term disabled and unable to work, that there be some requirement for follow-up that would be far less onerous for those individuals and for the system as well.

Two other areas that were accomplished outside the program as a result of social assistance reform include the increase to the Yukon child benefit, which benefits parents with children, whether or not they're in child care. Secondly, of course, is the significant increase to the childcare subsidy for those on low income, allowing them to enter the workforce and to remain there.

For your information, Mr. Speaker, and for members who may have some questions about the timeline for implementa-

tion of social assistance reform, we have completed the required consultation with First Nations and with Indian and Northern Affairs Canada on the policy matter of the proposed social assistance reform. The response was positive; therefore, we can say with confidence that will be the structure that is implemented. Right now we are simply awaiting implementation from the First Nations and Indian and Northern Affairs Canada side in terms of changing their programs -- which, as members ought to be aware, require significant changes. Because this is a fundamental change to the structure of the system and how it operates, it requires everything from the computer system, to the forms, to how people are evaluated to be changed, by each and every government that administers this program.

The indication we've had from our partners is that they expect to be up and running around the end of April. The Department of Health and Social Services, of course, has been ready to go on this area for months.

Other areas that were major election commitments that the Department of Health and Social Services have moved forward on in this past year -- in this case, one will begin formal service of the new program tomorrow -- include services to children with disabilities, which is a creation of a new program in a new unit within the Department of Health and Social Services, to coordinate, expand and enhance services and therapies provided to children with disabilities and their families, to assist them in fulfilling their potential, to provide coordinated access to services and early interventions, support for integration into community life, expanded behavioural therapies and increased staff and professional training, and most importantly, to help parents to take care of their children and to involve them in choosing a therapy that best meets their child's needs.

This, of course, as you may be aware, is based on best practices from across the country, particularly borrowing from the Government of Alberta's program that provide these services.

Our fundamental intent is to ensure that those flexible supports are provided and to prevent parents from being faced with either not being able to care for their children, or facing a large financial cost to do so or, thirdly, to have to put their children into care of the system or into a continuing care facility.

This system is based on best practices and sound programs from across the country that have been successful. I am very pleased that we were able to implement this major election commitment beginning tomorrow.

Another major election commitment, of course, that we acted on significantly is the investment in childcare, both in terms of the increase to the childcare subsidy that I previously indicated, and the increased funding to assist in paying for the wages of childcare workers. This year, there will be increased funding and training. This, of course, is part of the significant investment plan that we announced last year.

More details, beyond what has been announced, will be forthcoming as we move forward in the annual increase in funding previously announced.

Other areas where the Department of Health and Social Services has been active include continuing our investment in



the health human resources strategy. As you know, this government is the first one to develop a strategy and provide funding to assist Yukoners accessing health professions. Previously there was one program in place to assist people to access nursing education; however, in that area, we doubled the amount of assistance and made available twice the number of positions that were previously available. We created a whole range of new programs and supports aimed at attracting health professionals to the Yukon and at assisting Yukoners to gain education in those areas.

The family physician incentive program was designed to attract new graduates from a Canadian medical school by providing a \$50,000 incentive over a five-year period. That is complemented by the medical education bursary, which we provide to Yukon students attending medical school. That provides them with up to \$10,000 a year in financial assistance for each and every year they're in medical school, as well as a \$15,000 per year assistance if they take their period of medical residency in a Yukon family practice -- meaning, if they come here to the territory and work with an existing physician, to begin to provide services to Yukon citizens.

As well, the health profession education bursary is a program that assists a wide range of other health professions and assists Yukoners in accessing training in those areas. These programs are complemented by the new nurse mentoring program. At this point, 16 Yukon nurses have been mentored under this program.

Another area is the funding that we have provided to assist Yukon doctors to expand an existing practice, which must result in the creation of space for at least one new doctor. These steps, as well as steps and initiatives taken by members of our local medical community, have resulted in an increase in the last few years of the number of general practitioners who are offering services to Yukon citizens, from a previous level of 56 doctors to a new level of 63.

I would like to thank Health and Social Services staff and Education staff who assisted in moving the licensed practical nurse program at Yukon College forward, as well as to thank the college for their work in bringing this program forward and offering it. This course will commence in September of this year and will assist in training LPNs to serve in the Yukon system, which will assist us in coping with our challenges of recruitment and retention.

As members are aware, and have likely noticed from national news reports, the challenge coast-to-coast in the number of health care professionals is increasing. Fortunately, in Yukon, although we have had some challenges, we have not had them to the same level as areas such as Saskatchewan, which has seen emergency rooms and maternity wards close down due to a lack of staff, and even Alberta, with their significant enhanced funding for services, has seen a shutdown of beds recently in some of their health authorities, due to a challenge in accessing staff.

In addition to the programs that I indicated above, which again I thank Health and Social Services staff for their work on, we have this year enhanced the incentive package provided to attract LPNs and registered nurses into our continuing care

facilities. As members are aware, we have had some staffing challenges there and we have therefore taken another step to raise the bar to address those challenges and to face our requirements to become ever more competitive nationally in addressing this challenge in access to health care professionals, as we see baby-boomers retire and the growing national shortage in many areas.

Another step that has been taken this year to provide more direct access in all Yukon communities and cost-effective, flexible and timely access to medical health services, was the expansion of the telehealth network to all Yukon nursing stations, making Yukon the second Canadian jurisdiction to have access in every community, in all health facilities, to this type of service.

We will also be moving forward -- in partnership with British Columbia -- to access B.C.'s nurse line, which will allow all Yukon citizens to dial 811 to talk to a nurse and receive medical advice in their home, including advice on whether they should access treatment from their local health facility. This will not replace the existing services; it will simply be another service, another means of bringing directly to individuals in their home greater access to care and greater flexibility -- noting of course that, for many people, such as my constituents and for many others, it's not uncommon to be a half-hour or 45 minutes or even hours away from the nearest health care professional. Being able to access that service in your home is a great step and a great comfort to Yukoners.

Other areas that we will be funding in this fiscal year include improved support for mental health, including early identification of mental health concerns and expansion of our chronic disease collaborative management program.

With that, I believe I will wrap up my comments and save further comments and discussion for my speech during Committee of the Whole debate on the budget. I thank members for their attention and look forward to continuing the debate.

**Mr. McRobb:** I'd like to welcome all members back to the Assembly for the spring sitting and thank all members for their comments about the budget and so on. I found many of them enlightening. Some others I would find a bit challenging, but there simply isn't sufficient time provided to me this afternoon to respond to each and every one of those comments I would take issue with.

I would like to continue in a similar way to last year, when I mentioned I had attended opening day of the Alberta legislative sitting and Parliament in Ottawa, thanks to our MP, Larry Bagnell. Earlier this year, I attended opening day of the B.C. Legislature's spring sitting, where the throne speech was read. I would also like to thank Burquitlam MLA Harry Bloy for inviting me to attend that and the reception afterward.

It was a privilege to meet many of the MLAs from our neighbouring jurisdiction and discuss with them certain issues, especially those related to the future of our territory.

I had a chance to speak briefly with Premier Campbell, as well as several others. I met Mr. Bloy at the Mineral Exploration Roundup in Vancouver in early February. For the record, I travelled to Victoria at my own expense, just as I travelled to

Edmonton and Ottawa last year at my own expense, so when the MLA for Porter Creek Centre stands up and calls my travels "a junket", he should be better informed. If he uses that word so freely, perhaps it's time to take a closer look at what the government members claim on their travels which, by the way, are paid for by Yukon taxpayers.

This was the first roundup I had attended, but hopefully not the last. It was great to meet and discuss mining issues with several people, including Yukoners, and take in many interesting presentations.

With the exception of having to endure our Energy, Mines and Resources minister's speech, the highlight was probably Yukon night. It is a good thing that there was lots of free booze served to help lessen the pain of it on the general audience. Four out of five of our caucus members attended the roundup this year. I saw just as many from the government side but no one from the third party, the NDP.

Let us turn now to the Premier's budget speech, which went on for more than two hours. It really contained very little in the way of new initiatives and was basically business as usual. This is worrisome. Spending money like there is no tomorrow, in light of today's global financial crisis, is akin to fiddling while Rome burns, or perhaps more recently, like Bear Stearns, one of American's top five lending institutions, believing that all would be well. We know what happened there. Given our dependence on one single source of revenue, the federal government, one has to wonder what might happen here. How would the Yukon fare without the federal largesse? What if there were substantial cuts to our transfer payments? How would we as a territory survive with very little in the way of self-produced revenue to fill the government's coffers?

Our dependence on Ottawa is simply too great. The Yukon Party has repeatedly promised to reduce that dependence, but has failed to achieve anything significant in terms of diversifying our economy. What if the federal government were faced with budget cuts and decided to wean back Yukon's handout? Just as likely is the possibility of cuts resulting from ideologies present in the federal Conservative caucus. We all know that the power people within that party are off shoots of the former Reform Party of Canada.

Does anybody remember the Byfield doctrine? It went something like this: why should Alberta have to pay for all the have-not provinces and territories in Canada? Indeed, this remains a threat that we should all be concerned about.

Let's hope Mr. Harper, the Prime Minister, and his gang are never given majority status in Parliament.

Getting back to the Yukon Party's business-as-usual approach of singing merrily along the path while ignoring the financial earthquakes out there, the fact is the U.S. is now officially in a state of recession. This is largely due to the subprime mortgage meltdown and their involvement in Iraq. The worst may very well be yet to come. What a lot of financial experts are --

**Some Hon. Member:** (Inaudible)

#### Quorum count

**Speaker:** Mr. Cathers, on a point of order.

**Hon. Mr. Cathers:** Pursuant to Standing Order 3(1), there does not appear to be a quorum present.

**Speaker:** Order please. According to Standing Order 3(2), "If, at any time during the sitting of the Assembly, the Speaker's attention is drawn to the fact that there does not appear to be a quorum, the Speaker shall cause the bells to ring for four minutes and then do a count."

#### Bells

**Speaker:** I have shut off the bells. I will now do a count. There are 12 members present; quorum is present.

We shall now continue with debate. Member for Kluane, you have the floor.

**Mr. McRobb:** I was referring to the state of recession that currently lies within the United States and was relating that to how Yukoners and the Yukon government should be quite concerned. Yet this budget seems to take a business-as-usual approach and is more reliant than ever on federal largesse.

I was saying the worst may very well be yet to come. That is what a lot of the financial experts are warning. The impact on our territory could be severe and this government should be doing more to diversify our economy. The impact has already been felt by many Yukoners who have suffered losses in their investments or have been affected by the credit crunch resulting from the meltdown.

One example of this is the delay to construction of the Ruby Creek molybdenum mine just south of our border and east of Atlin. Adanac has been forced to put its near-billion-dollar investment on hold because of the difficulty obtaining financial investors to loan the funds required to build the mine and associated infrastructure. I know for a fact this has negatively impacted our labour force and local business community, as well as diminishing our non-government economy.

For the record, I do wish Adanac Molybdenum Corp. all the best in its efforts to find a financier. Our caucus met with one of the company's principals in early February at the roundup. Given today's moly prices, there is about \$20 billion in the ground at Ruby Creek that we know of already and that number is sure to grow with the release of further drilling results. It's interesting to note that Adanac's proposed payback period for a capital loan was only two years. Where was the Minister of Economic Development in trying to negotiate a deal on this one? We all heard him on the radio telling Yukoners how he was instrumental in pulling together the Mactung deal with the Chinese. Where is he when he's needed on this one?

I know; he is probably busy spilling the beans again.

I guess the point on this example is, given the quick payback period for this mining project just south of the border, it's rather amazing to see that the mine is still having difficulty trying to obtain financing, given that it can repay the \$640 million or so within a two-year period. That's quite incredible. That's a sign that the world's markets have really dried up in terms of liquidity and loaning money.

The Yukon Party certainly isn't shy when it comes to taking credit.

How many times have we heard the rhetoric about how it has, single-handedly, wrestled down the spending trajectory and turned around the Yukon's economy?

I was beginning to worry that -- had I heard it one more time -- I might actually start believing it.

But the truth is, it was not the Yukon Party's doing at all. It was simply due to a global turnaround in commodity prices, especially mineral prices.

Of course, the boom in the oil and gas sector contributed generously -- and still does -- to provincial coffers in western Canada; however, there has been very little activity in that sector within our territory.

In fact, with the winding down of the Kotaneelee gas fields in southeast Yukon, revenues to government from this sector have decreased substantially under this Yukon Party's watch. It looks like another lost opportunity to diversify our economy.

Ask yourself if the Minto mine would have proceeded without having justifiable copper prices. Ask yourself if there'd be expansions to our electrical grid without these high metal prices. Ask yourself whether there'd be record spending on exploration without high metal prices. The answer to all of these questions is clear; it's no.

Yet somehow the Yukon Party wants the voters to believe it was responsible. Well, we all know that's a stretch, and hopefully Yukoners are too smart to fall for that one again.

Let's switch gears and address the issue that several previous members have spoken of, and that is the production of our standing committees. These committees are supposed to be non-partisan. Each member is supposed to act in the best interests of Yukoners and not simply toe the party line. What we've found with the Yukon Party government members is that they'll come to these meetings with predetermined positions. This is wrong. That's not representing what Yukoners stand for. It's not listening to the representatives of other Yukoners at these meetings; it's simply toeing the party line.

We're supposed to be non-partisan. We're supposed to act in the best interests of Yukoners while sitting on those committees and trying to do the work. That faith is destroyed when the majority of members hold predetermined positions to block certain investigations, for instance.

Recently, members wanted to investigate the bad investment scandal, but the Yukon government members blocked it. This caused two members to resign on principle, and I applaud that action. Why should they take part in what is basically a charade? It's all because the Yukon Party members came to the meeting with a predetermined position to block this investigation.

If the government was truly open, accountable and transparent, as we've heard far too often from the government side, then why didn't it allow the investigation to proceed? What's it hiding?

Why wasn't the committee allowed to question officials in the Finance department and, perhaps, others as well? Well, Mr. Speaker, I think that is a very good question because I would expect that, if a government were open, accountable and trans-

parent, then it would have nothing to hide and it would allow these committees to do their work and not try to block any investigations. We saw something quite different and we all know how the Yukon Party explained its perspective on the events by wanting Yukoners to believe that the Leader of the Official Opposition was somehow not doing his job.

As a matter of fact, we even heard it earlier this afternoon from the Premier. The term that he used was that the Leader of the Official Opposition "quit on Yukoners". Well, what he is alluding to is how the Leader of the Official Opposition stood up on principle for what he believed in and, through his actions, highlighted a particular area of government that really needs some public focus and some reform measures. That is what we should be focusing on: how to make these committees work and not trying to spin some party line to make others look bad. Let's look at what actually happened. There are lots of examples to add to this.

Another area that I am even more familiar with is the committee entitled SCREP -- that's the acronym for the Standing Committee on Rules, Elections and Privileges. Again, we've had Yukon Party members enter the meeting with predetermined positions to block progress on certain matters and that is wrong. One of the certain matters that I'm referring to is legislative reform. We've had considerable discussion on the virtues of legislative reform, previously. If one read the record, they would see that all the parties were essentially in favour of reforming how this Legislature conducts itself.

I recall the Yukon Party amended an opposition motion to steer it to legislative reform when, in fact, the original motion dealt with electoral reform. At the time, the Yukon Party was willing to take a position of legislative reform while avoiding electoral reform.

So, what happened? Well, after the election in 2006, members will recall that we had a shortened sitting -- I believe it was 12 days -- and a deal was struck between the opposition parties and the government to have a reduced number of sitting days in 2006. It was based on a position I brought forward on behalf of our party, which was to have the membership of SCREP equalized between opposition members and government-side members. I thanked the government for conceding their majority, both at the time in the media and subsequently in this House. The promise was to proceed expeditiously with legislative reform.

Let's look at what has happened since early in 2007. The committee has had about two meetings and nothing substantial has been discussed. That's a shame. There's practically one and a half years wasted, and that's a delay of one and a half years to any reform in the way this Legislature conducts itself. I say that's wrong.

There are lots of good ideas out there to improve the way we do the business on behalf of the public, and it's the public's business. One suggestion came from the Member for McIntyre-Takhini, when he suggested the Standing Orders should be amended to allow witnesses present when debating bills that are of import to the public. I think that's a very interesting suggestion, certainly worthy of discussion by the committee, and it's part of the whole legislative reform package.

But so are several other issues of -- I'll say -- equal importance to the public and to the legislators within this Assembly. There are lots of improvements we can make to how we perform the public's business, but they're being stalled -- and that's a shame. I'm speaking to this now because there are lots of precedents in this Assembly allowing us to use our time during budget reply speeches to talk about any issue from A to Zee -- and that should be "zed". Even though I was referring to the American economy earlier, I will use the Canadian pronunciation. Otherwise, there is virtually no opportunity to bring this issue to the attention to the public. I think it's an issue that should concern the public and it should concern every member of this Assembly, both members present now and in future.

I recall some radio talkback shows, going back about three or four years, where the overwhelming desire of the public was to change the way this Assembly did its business. That's probably what prompted the mood in this House at the time to make good attempts to try to achieve something in the way of reforming the Legislature. As it happened -- no. Any progress has been simply abysmal -- simply abysmal. That's sad when you look at the members of this Assembly. The vast majority of us in here were re-elected. That means that the mean experience level is greater than what it otherwise would be. This means we have a duty to use our experience to try to improve this Assembly for others in the future.

That sense of duty seems to have given way to some members on the government side to shift their allegiance to the party that they belong to rather than to Yukoners, and that is wrong. That is done by entering these meetings with a predetermined opinion.

Mr. Speaker, I put my comments on the record about these committees, as other members have. I would like now to spend a few minutes talking about how this budget affects the Kluane riding. I must start off with a recurring point, and that is, once again, under Yukon Party rule, no community breakdown information was provided at the budget lock-up meeting.

For anybody who missed it in my past few years of budget reply speeches, this was another regressive step taken by the Yukon Party to withhold information from opposition members. That is despite its promises in election campaigns to work more cooperatively and collaboratively -- blah, blah, blah -- with the opposition parties on behalf of Yukoners. It was a regressive step.

As indicated last spring, I did stay behind and inquire to the officials about certain expenditures in communities in my riding and I did receive some information. In reviewing that information, it is very clear that the spending in the Kluane region from the 2008-09 mains budget is either routine maintenance or it re-spends money that was previously allocated or is paid for by Uncle Sam.

Uncle Sam pays all the funds spent by the Yukon government on what is known as the Shakwak highway reconstruction Project. This project has been ongoing in the territory for most of the past two decades, and it will soon wrap up.

In fact, there are only two bridges remaining to be reconstructed: the Duke River bridge, which has already started, followed by the Slims River bridge.

There is some paving on the Haines Road. Officials, earlier, remarked that paving would not occur on the north Alaska Highway until the permafrost problems got worked out.

So essentially we have some bridge work and some paving on the Haines Road and, after that, probably nothing. This is going to mean a sharp fall-off in terms of employment in the Kluane riding. This has been brought to the attention of the government for several years now -- probably 10 years that I am aware of, because I have been bringing it to their attention.

We need a plan to fill in when the Shakwak expires. Where is that plan?

Several people in the Haines Junction community and in the Kluane region got together, more than a year ago, and put together an economic development plan. So far, the government has not taken any steps toward fulfilling the recommendations contained within that plan.

It coughed up a few dollars to help create the plan, but where has it been in terms of implementing the recommendations? Nowhere.

There are a number of projects that I am aware of that aren't being funded in the Kluane riding. The Premier is aware of them because he attends his tour, which takes place in late summer or early fall, when he asks Yukoners what they would like to see in the coming budget. I know he holds meetings in Beaver Creek, Burwash Landing, Destruction Bay and Haines Junction, as well as meeting with local First Nations -- those who will meet with him; not all will -- and the local municipal government in Haines Junction.

Each year, he collects their suggestions and goes off to the back room where the budget is crafted and, each spring, when we see the final results of the budget and review it, virtually every one of those suggestions is ignored. There's the odd one that's in there, but I would call the odd one just window dressing. There's nothing substantial.

Recently I met with the Chief and Council of White River First Nation in Beaver Creek and I heard their recollection of projects they recommended to the Premier, which included a new community hall. We know about the new fire hall project that is needed in that community as well. There is nothing in this budget to meet those requests.

The requests for these projects are not new. I've been hearing the need to replace those two facilities for about five years now. Each time, they're ignored.

Speaking about Beaver Creek and the budget, I recall a year ago that the Justice minister talked in her speech about how they increased policing in Beaver Creek, had added another constable, and this would help the existing two constables fulfill their duties and provide for them taking proper breaks, and so on.

I was rather dismayed, both last summer and recently, to discover that there never was a third constable allocated to Beaver Creek, yet that is what we heard from the Justice minister. So what's up? Why do the ministers stand up and say things that don't happen?

Another example is the Minister of Highways and Public Works, the Member for Porter Creek Centre. He put on the record a year ago how the intersection in Haines Junction

would be reconstructed, and there was a bunch of money in the budget for that, and he actually used it to throw back at me when I asked him what was in the budget. He used it as an example of how the Yukon Party is spending money in Haines Junction. I felt admonished, not only by what he had to say but the tone in which he said it. Well, Mr. Speaker, those improvements still have not been made. There is another example of a Yukon Party minister saying one thing and the results indicating another.

What about the elders complex in Burwash Landing? I can see that there is an appropriation in this budget. This is the third year in a row now that this project has been announced in the budget. Those with a long memory can recall about three years ago when the Member for McIntyre-Takhini, as Education minister, first announced that there would be a new school in the community of Burwash Landing. That caused a lot of distress among the members opposite and it was quickly re-announced as an elders and youth facility in Burwash Landing. We knew at that point that the member wasn't very happy over there and that explains why he sits on the opposition side today.

That facility, again, was reannounced and reallocated in a following budget. It was reannounced and reallocated in last year's budget and now here it is again. How many times are we going to spend this money and how many times are we going to announce this project before the money is actually spent and the project actually built?

Good question.

It's reannouncements of reannouncements that never seem to happen. It's about time this government started to do what it promised to do. On some projects in the riding there has been some concern.

Another one paid for by Uncle Sam was the street lights on the Alaska Highway, heading west from Haines Junction. There was concern by local residents that they weren't consulted on the placement of those lights, and that's another shortcoming in how the Yukon Party government does business in rural Yukon. It just figures people will be happy there is money being spent; let some people complain -- so what? That seems to be the attitude over there. But, Mr. Speaker, there should be a process to listen to Yukoners and rethink capital projects such as that one in order to try to alleviate those concerns at a local level. Did that happen? Clearly not.

There are lots of other projects in the region that I could go on and talk about. You know, the government likes to pride itself on what it's doing for climate change, but in reality we see how it has been spending more on furniture in one department than it is on the climate change action plan. We know there are shortcomings in terms of any progress being made on climate change. We know the government is focusing on adaptation rather than CO<sub>2</sub> reductions. There are concerns about that as well. It seems the Premier made that decision himself, and that's the position of the Yukon government and that is where our territory is going. Was the question ever put to Yukoners? No -- another backroom decision. Just like the decision to spend \$5 million of our climate change money from the federal government on the third turbine at the Aishihik hydroelectric facility.

There was no consultation on that. This point has been made previously and no doubt it will continue to be made in future. There are all kinds of other options that could have been developed to help Yukoners address the threats of climate change, but those were ignored in favour of one single project that the utility companies have stated several times on the record they would be pursuing anyway.

Let's just make that clear for the record: the Yukon Energy Corporation has stated several times on record it would eventually proceed with the Aishihik third turbine regardless of any climate change money being put toward it from the Yukon government.

All this does is possibly speed it up by a couple of years -- so what? Think of all the other good things that could have been done.

Someone mentioned that to me the other day: what about some kind of government support to help people purchase bicycles, to encourage them to leave their vehicles at home and ride to work? There is an idea that could have been explored with the climate change money, but no -- it all had to go in a mad rush to a project that would have happened anyway.

I'm sure the federal government has better things to do than monitor how our small territory is spending its bit of climate change money. It probably doesn't care very much how we do it. I know it was the minister who selected the project but, let's face it: how does it really work?

Here's how it really works: the minister asked the Yukon government how it would like to see the money spent. The suggestion is made; the federal minister checks it out and agrees to it. That's how it's done.

So Yukoners are missing out. We could have had expanded programs to help retrofit houses. We could have had various new programs to help address CO<sub>2</sub> emissions in our transportation sector. We could have had ways to help people help themselves reduce and so on. But the Premier decided, nope, it's all going to a third turbine, a project that was going to happen anyway.

Mr. Speaker, I say, "Shame on the government." The government should know better than to just assume that its ideas are better than anybody else's. I have yet to meet any person whose ideas are better than everybody else's. In reality, that simply doesn't happen, but that is the approach of the Yukon Party. Their ideas are best. They don't need to talk to the public, and if you don't agree then that is too bad. To the Premier, it is his way or the highway.

Mr. Speaker, I can see that my time is nearly up; I have about a minute left. I would like to close by saying that I have reviewed the budgets for my critic responsibilities, and I do have a lot of questions. The portfolio includes the Department of Highways and Public Works and the Department of Energy, Mines and Resources, as well as the Yukon Energy Corporation and the Yukon Development Corporation. We had officials from the two corporations in this House in December, near the end of the fall sitting and we asked some questions. I'm looking forward to an opportunity to follow up on some of those questions with the minister responsible. Hopefully we can get some answers.

I don't know why I'm hoping for answers from the minister, because I think I have yet to get one answer from him to all the questions asked in both this session and the previous term. I won't let that discourage me. I fully realize that it is my job to stand here and ask questions on behalf of the Yukon public. We are the voice of the public and our main responsibility is to hold the government side accountable and that is what we'll do, regardless of how many times the government points its fingers and turns the attack back on us. It will just give my colleagues and me more fortitude to ask the next question and continue, because we know we're fighting the good fight on behalf of all Yukoners, and this government is in sore need of accountability.

**Hon. Mr. Fentie:** What a shock. The opposition takes a dim view of the budget. That's too bad.

It's unfortunate, because there's much in this budget that is a continuance of investment and a continuance of the plan that has brought the Yukon to a place that is so much more positive than it was a few short years ago under a Liberal government.

I think it's important to make the point, once again, that it was the shortest lived majority government in the history of the Commonwealth of Nations and, undoubtedly, the worst government in the history of the Yukon.

I am going to stand down on the rebuttal portion of my speech, because the criticisms levied are not something that the government side needs to rebut, save and except one point that demonstrates, again, the shallow and the void approach of the Official Opposition on the position of what they would do for this territory with the available resources that we have to build Yukon's future.

Their view is that it's simply just federal largesse. We could get into that in great detail and demonstrate how far out of touch the Official Opposition really is but, again, it's a pointless discussion and debate to have.

It's really unfortunate the Official Opposition had the Member for Kluane do the wrap-up response to the budget, because I think they could have done much better. The member has just put on the record issues around investments and climate change.

I want to briefly go over that. The Member for Kluane said -- I can't quote verbatim -- that there's more money by this government being invested in furniture for one department than we're investing in climate change measures.

When you consider the climate change strategy that's in place, the action plan that is being built with Yukoners, First Nations and experts, and the \$15 million being invested in hydro projects to reduce thousands of tonnes of carbon emission in this territory, and the member suggests that there's more money in furniture for one single department. Well, I challenge the Member for Kluane and his colleagues to present to the public the evidence, the facts, that would substantiate such a ridiculous statement.

I'll move on now with respect to the 2008-09 budget -- the sixth budget of this, our second majority government, our second mandate. If we look back in recent history, we will see the progression of investment and growth of our fiscal capacity

under this government's financial management for the territory. I want to just point to the fact that a few short years ago -- six short budgets ago -- the Yukon government had some \$500 million plus in fiscal capacity and had a net financial position of just over \$1 million. Six budgets later, the Yukon government has a fiscal capacity of almost \$900 million, with a net financial position -- retained earnings, if you will -- of over \$100 million.

No one can dispute or argue the fact that the Yukon is in a much better financial position, and because of that the Yukon has a much better quality of life, has a growing and diversifying economy, has investment in infrastructure, has investment in education, investment in health care, investment in our social safety net, investment in practising good government. Across this territory, the examples of our financial management and our growth in fiscal capacity are now delivering the realities of our plan and our vision for the Yukon.

It's no secret and no surprise why a better quality of life is the flagship pillar in this budget. It's also important to note that the emphasis in building a quality of life begins with education and the tremendous investment this government is making in education. Contrary to what Liberal operatives are saying out there -- that there's a reduction in education -- that is not the case. In fact, there is a significant increase in education across the board to meet our education reform approach and the new strategy, to build an education system to meet the needs of Yukoners, whether it be student financial assistance grants; developing a program so we can produce licensed nurses here in the Yukon, in conjunction with Bow Valley College and Yukon College; pre-employment at Yukon College; or other measures of training and apprenticeship to meet our shortfalls in the labour market area of trades and skilled labour, as well as entry-level jobs. The list goes on and on.

Secondly, there's a tremendous emphasis on health care, and we will continue to make those investments, because education and health care are two major cornerstones of ensuring a better quality of life in any jurisdiction.

So too are initiatives that deal with children, people with disabilities, ensuring our seniors and elders are being taken care of in an appropriate manner, in dealing with youth at risk -- like the Journey Far carver program -- and in our correctional reform process and initiative, which is resulting in a significant change in how we deal with those in our justice system. That will include the beginning of a new correctional facility here in Whitehorse.

On that note, I want to point out that the Official Opposition is saying to the public, unfortunately, that this is the same thing they had on the table, when they were in government, to build a new warehouse or jail. Nothing could be further from the facts. We've taken a number of years to develop correctional reform, and the building itself is completely different and disconnected from anything the former Liberal government intended to proceed with.

But also, addressing what statistics shows is the most demanding need out there for -- housing -- and it has to do with single parents with children. Under the leadership of the minister responsible for the Women's Directorate, we are doing ex-

actly that. We are proceeding with a 30-unit affordable, single-parent family housing complex, and this will include women and children who are dealing with domestic violence in their own homes.

The list goes on, Mr. Speaker, with infrastructure investment and cultural and arts investment, whether it be through the film or sound industries, the IT sector -- all things are receiving investment as we build a better quality of life for Yukoners.

To suggest that we have ignored our environment and the protection of our pristine environment, once again is a fallacy. There is a tremendous amount of priority being placed on our environment, and all you have to do is look through the pages of the budget and you will quickly come to that determination. Unlike the Member for Kluane's recent assertions, the budget itself is evidence enough of the incorrect position that the Member for Kluane has just put on the public record.

Our economy has so dramatically changed. The third pillar of our vision and plan is continuing to build, grow and diversify a private sector economy. At this juncture I think that it is important that we recognize what has transpired in that regard. The members opposite, especially the Official Opposition, continue to promote the fallacy that our dependence on the national government is growing. That is not the case, Mr. Speaker, and I will just briefly go over some factual statistics.

If we go back to the last budget of the former Liberal government, our total revenues, including a grant from Canada, stood at \$503 million. To break that down, own-source revenues, measured by seven representative tax systems, were at \$55.6 million. The total grant from Canada back then in that last Liberal budget -- thank God and thank the Yukon voter that it was the Liberal budget -- the federal grant was \$348.6 million

That meant that 69 percent of our total fiscal capacity of \$503 million came from Canada. Now, let's fast-forward to this budget. In 2008-09, our projected revenues from taxation -- those representative tax systems -- is \$77.9 million. Our total fiscal capacity -- net fiscal capacity -- is \$874 million. Our total transfer or grant from Canada is \$564 million. That translates into only 65 percent of our fiscal capacity coming from Canada.

So, under our approach, we have realized a four-percentage point decrease in our dependence on Canada and I can tell you, Mr. Speaker, with the greatest of confidence, that reduction shall continue, given the new negotiated territorial funding formula. Much of that is because of the work we've done to diversify and to grow our private sector economy and because many of the investments being made in today's Yukon are coming from the private sector, not solely from government.

I think it's important that we recognize the growth of the mining industry. Under the leadership of both the Minister of Economic Development and the Minister of Energy, Mines and Resources, that is happening in today's Yukon. Far beyond exploration, we are in development and production phases of properties across this territory and we are now garnering off-shore investment to grow our resource sector.

Tourism is another major engine for our territory and our Minister of Tourism and Culture has been leading the charge in ensuring that tourism continues to contribute to our private sector growth and diversification. We've added to that some infrastructure investment, whether it be the Robert Campbell Highway or the new air terminal at the Whitehorse Airport, and the list goes on -- the Tombstone visitor reception centre.

We could spend days and days in this House simply articulating the good of this budget. Unfortunately, we will have to delegate much time to the opposition benches so that, as they say, they can hold the government accountable. A lot of that depends on how the opposition conducts itself.

Good governance is the ultimate in ensuring that the plan and vision will be realized. Our good-governance approach is all about collaboration and working with partners, whether it be the Government of Canada, with the provinces in our role in the Council of the Federation, with our pan-northern partners, Nunavut and the Northwest Territories, First Nation governments in the Yukon, municipal governments that are receiving more in their base grant annually to assist them -- the list goes on and on.

There's another major part of good governance that this side of the House continues to forge ahead with, and that is the implementation of the treaties here in the Yukon Territory. To that end, once again, millions more are being invested, along with our federal partner, in the land claims process, and that is continuing to build self-government and self-reliance for First Nations here in the Yukon.

All in all, the budget is obviously another step forward in building Yukon's quality of life. I want to delve into some very important parts of this that are a result of the fiscal management we provide. It wasn't that long ago that our fiscal position was in dire straits. We've made every effort to ensure we're living within our means.

I heard from the opposition benches that this is status quo, and we're not keeping a watchful eye on what's happening around us, nationally and internationally. I challenge the members opposite to then explain how we have year-end surpluses as opposed to year-end deficits, and how we continue to grow our net financial position -- in other words, retaining earnings and retaining fiscal capacity for tomorrow.

I think the theme is very clear. The principle is very clear: this Yukon Party government will not, through needless spending of today, mortgage Yukon's future. It is here; the evidence of that is here in the 2008-09 budget.

This budget, as I demonstrated in my opening remarks when I delivered the budget speech, is a big one. It's another large budget for the Yukon.

It continues to invest in those four pillars: building a quality of life, diversifying and growing our private sector economy, protecting our pristine environment and, indeed, practising good governance.

It's unfortunate that we can't engage in a constructive debate with the opposition on budgets, as they are fixated on other matters -- other matters, by the way, that have no real relevance to the facts.

We will continue to work on all issues, as we should, because one of those pillars I spoke of is practising good government.

I commend this budget to the House. I look forward to the coming days of debate. I will be keenly interested in hearing from the opposition any alternatives that they may come forward with, versus just empty criticism. All in all, the 2008-09 budget sets the stage, once again, for what's coming in building Yukon's future. It is the precursor to our next budget of 2009-10, which would be our seventh budget as a government.

I am very proud of our team. I am very proud of the fact that Yukoners recognized our plan and vision was the right one for Yukon of today in building Yukon's future. We are demonstrating that with our budgeting, our fiscal management, our practising good governance and our building a better quality of life for Yukoners. That's what it's about; that's what we are doing, and we are very proud to be doing exactly that.

Thank you.

**Speaker:** Are you prepared for the question?

**Some Hon. Members:** Division.

#### Division

**Speaker:** Division has been called.

#### Bells

**Speaker:** Mr. Clerk, please poll the House.

**Hon. Mr. Fentie:** Agree.

**Hon. Mr. Cathers:** Agree.

**Hon. Ms. Taylor:** Agree.

**Hon. Mr. Kenyon:** Agree.

**Hon. Mr. Rouble:** Agree.

**Hon. Mr. Lang:** Agree.

**Hon. Ms. Horne:** Agree.

**Hon. Mr. Hart:** Agree.

**Mr. Nordick:** Agree.

**Mr. Mitchell:** Disagree.

**Mr. McRobb:** Disagree.

**Mr. Inverarity:** Disagree.

**Mr. Cardiff:** Disagree.

**Mr. Edzerza:** Disagree.

**Clerk:** Mr. Speaker, the results are nine yea, five nay.

**Speaker:** The yeas have it. I declare the motion carried.  
*Motion for second reading of Bill No. 11 agreed to*

**Speaker:** We will continue with government bills.

#### Bill No. 9: Second Reading

**Clerk:** Second reading, Bill No. 9, standing in the name of the Hon. Mr. Fentie.

**Hon. Mr. Fentie:** I move that Bill No. 9, entitled *Third Appropriation Act, 2007-08*, be now read a second time.

**Speaker:** It has been moved by the Hon. Premier that Bill No. 9, entitled *Third Appropriation Act, 2007-08*, be now read a second time.

**Hon. Mr. Fentie:** Mr. Speaker, I am pleased to introduce Bill No. 9, the *Third Appropriation Act, 2007-08*, better known as *Supplementary Estimates No. 2*, to this session of the 32<sup>nd</sup> Legislature.

This supplementary estimate serves two general purposes. First, it will detail the expenditure changes that require additional legislative appropriation up to this period of the fiscal year. The second purpose of this supplementary is to provide the general public and this Legislature with updated information on the expected financial position of the Government of Yukon at year-end.

This supplementary budget reflects the projected year-end financial position of the government to March 31, 2008 and is used as the starting point to the 2008-09 main estimates.

This second supplementary estimate for the fiscal year 2007-08 seeks authority to increase operation and maintenance expenditures by just over \$8.8 million and to decrease capital expenditures by \$17.3 million for a gross expenditure decrease of \$8.4 million. The government's revenues -- transfers from Canada and other third party recoveries -- are increased in a total by a net amount of just under \$22.3 million. The end result is a year-end forecast of an annual surplus of over \$8.6 million. This is a significant change from the projected \$14.7-million deficit outlined in last fall's first supplementary budget. The increase is largely due to lapses in capital expenditures and increases in transfers, which I will summarize shortly. The net financial resources of the government to year-end are projected to be \$130 million, and the accumulated financial resource position is forecast to increase to almost \$554.4 million.

I do not intend to speak to all the details of this supplementary. I will leave that to the individual ministers in the department-by-department, line-by-line review in general debate; however, I will take this opportunity to identify some of the more significant adjustments included in these estimates.

On the operation and maintenance and the capital expenditure side, the \$8.8 million -- a net increase for O&M identified -- is derived from a few main expenditure areas. Members will recall, during the fall sitting, the Legislature debated and passed amendments to the *Legislative Assembly Act*, and the appropriation requirements totalled \$555,000 for changes related to MLA salaries. Indemnities and retirement allowances are also reflected in this supplementary estimate. This was also in a special warrant some time ago, but I guess the Official Opposition missed that one. There was no criticism of that special warrant. It could be because it did house the MLA increases, as moved by the Leader of the Official Opposition and the Members' Services Board. Community Services has identified --

**Some Hon. Member:** (Inaudible)

#### Point of order

**Speaker:** On a point of order, Member for Kluane.

**Mr. McRobb:** On a point of order, contrary to House rule 19(g), a member shall be called to order by the Speaker if that member "imputes false or unavowed motives to another member". I clearly heard the Premier say "this could be why". Those words in themselves constitute a motive without relating to the issue, and he should be ruled out of order.



**Speaker:** On the point of order, Member for Lake Laberge.

**Hon. Mr. Cathers:** Standing Order 19(g) refers to imputing false or unavowed motives. The Premier did not say the Leader of the Official Opposition failed to criticize the special warrant because it contained the increase for MLA salaries he moved the motion for; he said that it might be. That was mere speculation; this is a dispute among members.

### Speaker's statement

**Speaker:** I think I'll take this under advisement. If the members will allow me, I'll rule on this tomorrow. You have the floor, Hon. Premier.

**Hon. Mr. Fentie:** There were a lot of comments in the public domain in this regard and it was somewhat confusing, to say the least.

Community Services has identified an increase of \$5.51 million to address our government's commitment to modernizing the emergency medical services program here in Yukon. This investment represents an increase of some \$770,000 for this supplementary, with the balance of \$4.74 million being transferred from Health and Social Services.

Education has increased O&M and programming costs in the public schools branch totalling \$2.2 million. Once again, this is more evidence that refutes the claim by the Liberals in the Yukon that we are de-emphasizing education and decreasing our investment. Right here in this supplementary is another example of increased investments for our education system.

I look forward to the debate with the Minister of Education, who will provide the detail on where this extra \$2.2 million will be earmarked for.

Of course, northern strategy projects and initiatives of \$369,000 are contained in the supplementary. For Energy, Mines and Resources, they are 100-percent recoverable increases under the strategic investment in northern economic development initiative administered by Canada. Energy, Mines and Resources is assuming responsibility for the mine training strategy initiative.

This supplementary reflects \$500,000 transferred from the Economic Development department. Again, this is another example of increased emphasis on educating Yukoners, in this case, in the mine training area.

Public Service Commission has identified additional employee future benefits costs. Recognizing this future liability ensures that the Yukon government is in compliance with current accounting standards. I repeat: in compliance with current accounting standards.

I have noted that Health and Social Services has transferred \$4.74 million related to the emergency medical services branch to the Department of Community Services.

Members will also note that this reduction to Health and Social Services O&M vote is offset by an increase of \$3.8 million to address operational and pension requirements for the Yukon Hospital Corporation.

We all recall the day that the Official Opposition had an elder or a senior in the gallery relating to this issue. Here we are again demonstrating with a \$3.8-million expenditure to

address that pension shortfall at the Yukon Hospital Corporation.

On the capital side of the ledger, budgetary expenditures are showing some significant lapses with Community Services, Health and Social Services, and Justice.

In Community Services, identified lapses total \$12.6 million, of which approximately \$10 million is attributed to lapses in land development projects, \$2 million is in municipal rural infrastructure fund projects, and \$880,000 is in the Golden Horn fire hall project.

On the land development side, there is a demonstration that this government had \$10 million available to do land development, especially here in the City of Whitehorse, but unfortunately, the decisions were not made to proceed by another order of government, but we stand ready, willing and able and these are examples of that willingness; we have committed as much as \$10 million for land development.

For Health and Social Services, this supplementary estimate reflects lapses of \$5.12 million, related to the Watson Lake facility and transfers of \$402,000 to Community Services, related to capital requirements for the emergency medical services program. What is important here to note, Mr. Speaker, is another example of the misunderstanding of the budgets and the expenditures -- and that is being kind -- by the Official Opposition. They have a much different view of what has been spent in Watson Lake. I just want to make that point, because here is further evidence because they are in, in fact, incorrect.

As I am sure members can appreciate, the corrections infrastructure project is a significant undertaking. Justice has identified lapses totalling approximately \$700,000 that are related to various facets of the corrections project. Mr. Speaker, these lapses have been identified and picked up once again in the 2008-09 capital estimates, moving this project forward. This is offset by modest increases that have been identified under other departments; this supplementary estimate identifies gross capital lapses of \$17.3 million.

Mr. Speaker, I remind Members of the Legislative Assembly that most of the lapsed funds are just matters of timing, and many of the expenditures will be reflected in the 2008-08 main estimates. So before the Official Opposition and third party stand up and start making all of the standard comments about lapsed funds, these funds for all the projects that have been committed to are reflected in the mains of the 2008-09 budget.

All estimated lapses over the identified ones just mentioned are identified in the financial summary that accompanies the budget document. This ensures that the Department of Finance is being as accurate as possible on the estimates of the government's financial position, until, of course, a year-end is duly audited by the Auditor General and the public accounts are tabled.

The ministers for the departments I have mentioned, as well as others requesting supplementary budget approval, will be pleased to provide members of the Assembly with the complete details of the expenditure requirements in debate.

Before I conclude, I will now provide some of the other budgetary highlights. On the revenue side of this supplementary there have been some changes in the 2007-08 estimates

since the first supplementary budget. Tax and other revenues -- I'm pleased to say that tax and other revenues have increased in total by just over \$3.5 million. On the tax side, personal income tax has an increase of \$1.7 million that could very much be attributed to the continued growth and diversification of our economy, while there are increases in tobacco tax due to our measure in dealing with what is a tremendous challenge in our health care system, that of the use of tobacco products.

There is also a recovery of \$1.47 million, previously written off as bad debt expense, and I can only assume then that it has now been collected.

As many Yukoners are aware, Canada and Yukon announced the signing of the Building Canada Plan framework agreement on March 17. These estimates recognize \$25 million in revenue under that agreement. In addition, Canada recently committed to additional investments related to community infrastructures. This supplementary also identifies \$3.829 million under the community development trust announced by Canada. These are significant revenues that will contribute to the future investment by this government toward community infrastructure, building a better quality of life for Yukoners.

Again, ministers will speak to these and other items when we move to general debate. In closing, Yukoners can be very pleased with this supplementary budget and the fiscal position of the Government of Yukon. The government has worked diligently to ensure that we achieve the necessary balance between sound fiscal management and ensuring an appropriate investment in the social and economic fabric of Yukon. We are very proud of what we have achieved, and we intend to continue this trend.

Mr. Speaker, I will be pleased to discuss this budget in further detail when we reconvene to discuss it in general debate in Committee of the Whole.

Thank you, Mr. Speaker.

**Mr. Mitchell:** That was an interesting summary provided by the Finance minister. There are some things that I can agree with the minister on: there are significant increases in federal funding, such as the \$25 million from the Building Canada Plan, the \$3.829 million from the community development trust, also from Canada, which represents the more than \$28 million of increased revenue coming in. Of course, we've been pointing out all along that we are fortunate; thanks to Canada, we are getting increasing revenues.

The Premier says that it is our due, and it is our due. He keeps saying that we disagree on that, but we don't. We agree that we should have the same opportunities in Yukon as people do in Nunavut, Northwest Territories, British Columbia, Quebec, Ontario or any of the provinces or other territories. We on this side of the House, in the Official Opposition, certainly recognize that in order to get the same quality of service in Canada, we will need greater funding on a per capita basis than one would in a large province because per capita, by itself, won't keep Yukon going when it comes to the Whitehorse General Hospital, when it comes to the emergency medical services, when it comes to investments in roads and highways, because

these things simply cost more when you spread that cost across so few people.

I think that we agree that we have a requirement for proportionally greater funding from Canada and we're glad that we get it.

It doesn't change the fact that, when this government first ran for office in 2002, they stated, as one of their objectives, a decreased reliance on Canada. The Premier earlier this afternoon was quoting statistics and percentages to try to suggest that that reliance has decreased, but it hasn't. It's like the old adage, "There are lies, damn lies and statistics." You can probably make the statistics look like anything you want them to look like, but the fact is that, in 2003-04, there was some \$435 million coming from Ottawa and now it's more than 50-percent higher than that.

It's interesting how the Premier makes reference to those things he wants to highlight, but glosses over other things that are just as much a part of the picture. He talks about the transfers from Canada. According to page S-4 of this supplementary budget, the total transfer from Canada is \$622,369,000. He cited the reason for the \$28,829,000 increase as being the \$25 million Building Canada Plan and the \$3.829 million community development trust. Those are the only two changes in the transfers.

However, what the Premier doesn't make reference to is that part of the same money that comes from other jurisdictions is third party recoveries of some \$81.9 million and recoveries from Canada -- that is, monies that we spend on various health programs, housing programs, other infrastructure programs, which we then bill back to Canada, and that's in addition to the direct transfers. That amount is \$63.5 million.

Just from Canada alone, if you add the \$863.3 million and the \$63.53 million revised vote, we're somewhere in the vicinity of \$686 million that comes from Canada and, as I've said, another \$81.9 million comes from third party recoveries. That would include Shakwak, which is our friends south of the 49<sup>th</sup> parallel, as well as other monies that come back as recoveries on land development and so forth.

So, it's well over \$700 million -- I think it's some \$770 million that comes from elsewhere, I guess we can say; we can just use the word "elsewhere."

It's also interesting that the Premier likes to talk about the massive surplus. Well, certainly as a result of all of these additional trusts -- because we book them. Of course, we book them right away when we receive them. We all remember the \$50-million northern housing trust. Then we, generally speaking, leave them on the books for some period of time until we develop programs. It has certainly been the practice of this government to spend a lot of time before they start actually dispensing or spending those funds. So they present a very rosy picture, because the funds have been booked and they exist on the books as assets, as net financial resources, and we don't spend them, generally speaking, in the year we receive them.

We saw how long it took before some \$32.5 million out of the \$50-million northern housing trust was, as long promised, transferred to Yukon First Nations so that they could deal with the serious housing infrastructure issues that they have. That

left \$17.5 million in the government on the books for affordable housing. Finally, in the 2008-09 budget -- and I know we're not here to discuss that today, but that's when we finally have seen some monies being attributed to affordable housing -- some \$963,000, I think it is; under \$1 million, anyway -- for planning for affordable housing for single parents. It does take a couple of years and it presents -- it's cash flow -- a good picture while we're looking at it.

It's interesting that the Premier, when he mentions the \$130-million surplus at year-end -- or projected surplus in net financial resources -- there is still no provision for any losses of principal or of interest in the misadventure into the asset-backed commercial paper market that the Premier supervised, or failed to supervise, for the Government of Yukon, for the Finance department.

Let us be clear: other governments are making loss provisions. Other governments are in this same pool of frozen assets -- assets that they are desperately trying to repackage and salvage. We hope that they can be salvaged, because the more money that is salvaged means more money that will be available down the road for Yukoners to spend on programs -- programs like replacing the aging F.H. Collins Secondary School, or finally actually building the Whitehorse Correctional Centre that has been promised for so many years, or on the road and highway improvements that the Highways and Public Works minister has pre-announced, announced and reannounced.

It is interesting that there is no provision yet made by the Government of Yukon to account for this money. This money, which, in the best case scenario according to the Finance minister is that if all of this money were to be recovered, it would be in the year 2016 -- and that is by the Premier's own admission because that is what the group in Montreal is proposing. 2016 -- a 30-day investment that goes AWOL for eight years. I think that any prudent government, just as any prudent corporation that managed to get themselves tied up in this, would certainly want to be at least -- since the Premier indicated that one major purpose of this document is to present Yukoners with an up-to-date and accurate representation of the latest figures on Yukon's fiscal position. It is not very up-to-date and accurate when there is this big footnote that is missing.

Now, as for other numbers that the Premier is quoting, he likes to throw those numbers out about accumulated surplus at the end of the year -- \$554 million. That includes, of course, the net non-financial resources at the end of the year of some \$424.449 million. Those are the schools, the hospitals, the government buildings that are fully owned by the government, such as the building that we're standing in today, and those buildings did not used to appear on the financial statements. They weren't on the income statements or the balance sheets because the accounting was done in a different way. If you go back, Mr. Speaker, a few years ago, to when the Liberal government was in office or a few more years to when there was an NDP government, or if you go back to the previous Yukon Party government, from the late Mr. Ostashek, who was very astute when it came to numbers, as you may well recall, those figures did not appear on the books because that wasn't how the accounting was done.

The Finance minister would almost have us believe he or this government has created a \$554-million surplus position, and that's just not so. A change in public accounting has created over \$424 million of that, and most of those assets -- with the exception of Carmacks school -- were built on someone else's watch. So, it's just bookkeeping.

What else have we seen? The Finance minister, the Premier, has spoken of the mining and the good work that has been done by the Minister of Energy, Mines and Resources, and also the Minister of Economic Development, who plays a role in this as well. They have done some good work, and we've said so. Certainly all the officials who work in the departments do a great deal of good work, but surely the minister cannot overlook the fact that, just a few short years ago -- five and a half years ago -- the price of gold was some \$260. We saw it recently go over \$1,000. I checked just before sitting down here this afternoon, and the spot price today was \$915 an ounce, I think. That's more than a tripling of the price of gold. Obviously, that has excited the hard rock mineral exploration industry, the mining industry in general, and my friends in the placer industry, because they now have properties that are economical to investigate, drill and explore and, hopefully, if they can get the financing, to bring forward as mines.

Indeed, we've seen the same thing in the price of silver, which this afternoon was sitting a little over \$17 an ounce. That's more than triple what it was just a few short years ago. The price of copper has gone up many-fold; the price of molybdenum in recent years has gone up tenfold; and my colleague, the MLA for Kluane, was making reference earlier today to the proposed Adanac mine at Ruby Creek in Atlin. I know I can't refer directly to the speaker, but I know there are people in this Assembly who probably in the past, as younger people, worked in that area and have some recollection of the property. Many years ago, I invested in the property under the same name but with a different group. What kept that mine from coming to the market at the time was that it missed the market. The price of molybdenum fell before the mine could get on stream, which was very difficult for the investors and for the many people who had hoped to have jobs there.

We do hope to see that move forward now, if they can get their financing. We did meet with principals of the company at the AME Roundup, using the current name, in Vancouver back in January.

We certainly hope it will happen because we think that that amount of activity, just 30 or 40 kilometres across the border from Yukon, will certainly have an impact in Yukon. Certainly, in their plans that I have seen, they expect a large number of Yukoners to be employed in that mine if it were to go forward, as well as the construction of the mine before the mine actually is opened. We know that Yukoners will be eager to work there.

We have seen the effect on Sherwood Copper. That's a property that has been known for many years, and indeed the development on that property, right up to the construction of the initial mill facility, started years ago, but it didn't come to fruition because the prices of the day simply couldn't justify it.

There are many things that we would like to see. There are concerns that we do have with this budget. We are concerned

that we don't see the additional funding in this budget that has long been promised for social assistance recipients by the Health minister. We were told in the spring of last year that this was being reviewed, and that the government was going to review this and study it and then come up with a new formula. It was announced with great fanfare in the fall that, in fact, there was a restructuring that would occur.

One of the things that I will support, because it's positive -- part of that restructuring is a new formulation that will allow people on social assistance to return to work for some period of time -- I believe that the announcement made yet again this past week indicated up to three years. They can continue to receive a portion of the social assistance while they are working, so that there is an incentive to get back into the workforce, and not just a sudden replacement of one dollar with another. That's a positive.

It's disappointing that, even in this final supplementary from last year, no such amounts appear; there is nothing whatsoever under it. The minister made reference to some other areas. I would point out there are no additional monies under his own Department of Environment for developing this climate change action plan, but there is another \$6,000 for additional furniture, so apparently there will be some comfort while people work on this plan.

There are some other things he has mentioned that we take exception to, such as suggesting how much money is being spent on education and in the public schools branch. The O&M is nevertheless still fairly flat, year to year, and has not gone up, as has been pointed out by others, at the same pace as other areas of the budget. Yet we know that, particularly in some areas of rural Yukon, we haven't had the outcome we would like and wish those outcomes would be better. We know the Education minister shares that wish, and we would be interested in seeing how we're going to get to the outcomes Yukoners know they deserve for their young children.

I'll just throw an example out, because I know the Education minister -- and I applaud him for this -- does take notes and pays careful attention. We've heard that in some of the rural communities there are no learning assistance teachers available. In Whitehorse, when someone graduates from or completes up to grade level in the reading recovery program, which is an early intervention program, they can then be referred to a learning assistance specialist to carry forward. Just because they reach that grade level, it doesn't mean they don't have ongoing difficulties.

We've heard that those specialists don't exist in some rural communities. We don't know if this is a question of just funding or lack of availability of those specialists, but we'll look forward to that particular debate.

Now, there are things that we just don't see in this budget. Now, some of them -- as has been pointed out -- appear in the main estimates for the next fiscal year which has been tabled here, and we will be getting to in short order. To go back to the social assistance monies, I know I heard just recently -- and I see the Health minister shaking his head -- a radio interview just the other day where he indicated that the agreements that were required with the Government of Canada on behalf of

First Nations have been completed. This will be moving ahead shortly, perhaps as soon as the end of April or early May. That's a positive for those people, but he also indicated that we've already set aside the money and I wasn't sure what he meant by that in the interview, because it's not set aside in this budget. According to the Finance officials during the budget briefing, they said that the provision for additional funds was not in the main estimates for the coming year as well. So perhaps he will be able to answer that question. What does he mean by "set aside"? Perhaps it's just a figure of speech and in his mind he has set it aside. We don't see the additional monies in this supplementary budget, and officials tell us that it's not in the main estimates for 2008-09.

Some of the other things that we are curious about -- and in some cases it's not a criticism, it's a question -- include the transfer of EMS from the Health and Social Services department to the Department of Community Services. Since there is money in this budget that relates to that, we look forward to hearing how that's being received by the employees, whether it's streamlining things and making it easier to accomplish the tasks at hand on behalf of Yukoners, and we know we'll get a chance to do that in departmental debate with the Minister of Community Services. It was a little hard last year when the Community Services minister would refer to the Health and Social Services minister, and the Health and Social Services minister would indicate it was being transferred to the other minister and we weren't sure that we were ever getting answers. So we look forward to that.

The multi-level care facility in Dawson City, which is in the Health and Social Services budget under capital expenditures, shows a decrease of \$40,000 from the original \$100,000 that was booked at the beginning of the year for planning of this facility in Dawson City, leaving a revised vote of \$60,000. We didn't see any money specific to that facility in the main estimates for the next year, so I guess one question I would ask of the Health and Social Services minister is, if the \$60,000 that remains here was spent, what was it spent on? Was it spent on reaching a decision not to build a facility? From what we understand, there are now no active plans on the books to build a facility in Dawson City. If we go back to 2005-06 when these two facilities were first announced, there was some \$10.4 million, I believe -- \$5.2 million to build a multi-level health care facility in Watson Lake and \$5.2 million to build one in Dawson. It appears the Dawson facility is simply returning to the ether from which it came.

The Finance minister mentioned the money expended on the facility in Watson Lake. Of course, we can only go by adding up the monies that were put in previous budgets and spent, and the provision that's put into the current budgets. We see here that \$1.824 million is the revised vote, that some \$5.120 million for the multi-level health care facility in Watson Lake is lapsing and will be revoked -- and it will be revoked, because it reappears in another sum of considerably more than that in the main estimates for this year.

The figures were clearly over \$10 million to date, but there will be over \$11.7 million if the money that is in the new budget for the current fiscal year is actually spent. I don't think

that anybody can argue that this facility is years behind schedule and many, many millions of dollars overbudget. It is another example, unfortunately, of the sort of things that the Auditor General of Canada pointed out last year in her special audit of the Department of Highways and Public Works, in terms of the capital works programs that so frequently have gone well over the forecasts and well over the budgeted amounts and certainly were not completed on time.

Another example, but at least it is finally in use and we're glad to see that, is the school in Carmacks, which I think is somewhere in the vicinity of \$12 million at this point in time, but was originally forecast to be quite a bit less than that. I guess it was at least a full year late in being completed. So that is something that concerns us overall.

When I look at some other areas -- and one of them is the climate change action plan that I made some reference to -- we still remain the only jurisdiction in Canada that does not have a climate change action plan in place. We have a strategy to develop an action plan and yet we see the change in the permafrost in north Yukon, we saw the draining of Zelma Lake in the MLA for Vuntut Gwitchin's riding last year, one of the larger lakes out on the Old Crow Flats that simply all drained out at one end. The hydrologists and scientists who looked at it suspected that it was due to a change in the permafrost in the ground under these shallow lakes that allowed the soil to deteriorate at the far end of the lake, and the water literally cut a new channel out and drained the lake. It was a pretty shocking thing to see, Mr. Speaker.

I know that you, Mr. Speaker, have spent a great deal of time on the land over the years, and I would say to you that if you're next up in that area and you get a chance to fly over it or if you are in a helicopter to land on it, that you do it. Regardless of which political party you belong to -- this has nothing to do with political ideology -- it is just frightening.

It's an environmental disaster for the people who live in that area, and in particular if it's a sign of things to come, because when you walk on that surface -- and I did so -- you are just walking on a cracked surface that might as well be some of the advancing desert lands in the sub-Saharan African areas where they have been subject to drought. You just have these massive cracks in a mudflat. It's very disturbing to the people who have tremendous ties to the land up there.

I'm not for a moment suggesting that any government of the day can prevent something like that from happening, or even mitigate it. Rather, we should take notice and we should move expeditiously, because I think there are more things happening.

I know that we've all seen, first-hand no doubt, the ravages of the spruce bark beetle infestation in southwest Yukon, in Kluane.

Again, it is the sort of thing where, when it happens, there is not much you can do about it. You can't treat that number of trees. You can't do anything except let nature take its course and hope that, over time, the infestation will resolve itself. Maybe the several weeks of minus 35 and minus 40 and minus 45 degrees Celsius weather, which we had a little while ago this winter, will be the silver lining in that cloud. It may have

helped to knock that back by destroying the beetles in the larval stage.

I have noticed recently -- and I don't know if others have noticed this -- just in walking around on the trails near my own home, a surprising and sudden preponderance of pine trees -- not the spruce trees, which seem untouched here, but pine trees -- that are particularly brown.

I am not a biologist, and I would not know what to look for, but when you see that many trees turning brown all of a sudden, unlike previous years, I hope this doesn't mean we've got some new infestation such as the pine beetle that, I have been told, last year had advanced as far north in British Columbia as the Tulsequah area; it would not take very many strong southerly chinook winds to bring that farther north to us. I don't know if that's the case, but something seems to be at work. Quite often, as our First Nation brothers tell us, it's the anecdotal evidence that you first see on the land, and eventually the scientists will tell us what's happening.

We are disappointed not to see -- not words, but more money, because it's the money that speaks in the budget. It tells you the priorities of a government. We would like to see more money spent on getting this climate change action plan up. I'm not trying to confuse people by saying we're spending money on our Yukon Cold Climate Innovation Centre or other areas -- all of which in their own way may be worthwhile projects, but they're not specifically dealing with addressing Yukon's contribution to climate change. It has been pointed out by the government side that we really make a very small contribution, but the problem with that logic is that we can say our contribution is small and then the other territories can say that and then Prince Edward Island or Newfoundland can say there's not that many Newfoundlanders or residents of P.E.I., and everybody can play that right up to when you finally say, well, nothing matters but China or India, because the most people live there.

But it's one globe and it's the sum total of everybody's contributions because the borders are meaningless when you get off of the maps and you know, maybe when you over-fly, you see a slash line between the borders, but the effects from one jurisdiction impact on every other jurisdiction. I know that Yukoners tell me quite frequently that this is something that they are very concerned about and they are looking for leadership from their government to do more. It's another area where we have concerns.

There are some other areas within this budget that certainly create questions for us. We see once again the capital expenditures in the Department of Justice that lapse, and we see that the new building, in terms of the correctional facility, has not gotten very far to date. We know that the interim space plan renovations are moving along slowly and will take more money than the \$507,000 that were budgeted last year, although we see that -- according to this supplementary budget -- \$393,000 of this money was not spent during the year, but it will be revoted.

We are very concerned that this project has taken so long to get off the ground, and it still isn't off the ground, Mr. Speaker. If you drive by there or walk by there, the ground looks the same as it has looked for the past five and a half

years, since this government shut down the initial construction of the pad, the subsurface work that commenced under the former Liberal government in 2002.

We've had a lot of promises about this facility. The first was that we were told when this was shut down that it was a poorly-thought-out project, the location was suspect, it was a Cadillac facility. These are all some of the statements that were made in the day as reasons given for shutting it down. There was also a commitment to work with the two First Nations that impact on the area, the Ta'an Kwach'an and the Kwanlin Dun, and promises made there. I'm not certain what the plan is now to make good on those promises because I believe, according to the land claim agreements -- and I'm sure the Member for McIntyre-Takhini would correct me if I'm wrong -- there is a requirement to include the First Nations, based on the agreements that were made with Yukon, in the construction of this facility, based on the dollar amount involved.

This Yukon Party government criticized its predecessor government for commencing the project at that location, said it was a Cadillac facility and, in more recent years, they changed their tune to say we're not just going to build a warehouse; we're going to build a facility that will work in the 21<sup>st</sup> century toward rehabilitation.

I don't know where it moved from being a Cadillac facility to a warehouse; maybe it's a warehouse for Cadillacs. But what I do know is that hundreds of Yukoners over the intervening five and a half years have been warehoused in the old, decrepit, condemned, existing Whitehorse Correctional Centre.

Since the sentencing for people who serve their time in Yukon is two years less a day, I know that people may spend more time there due to serious crimes if they are in remand and their cases have not made it through the court system, but basically the vast majority of these people will be reintroduced into Yukon society. These are fellow Yukoners and well we may condemn them for the wrongful acts that they have committed, and while we may condemn them for acts of violence, for being involved in the distribution of illegal drugs and other substances, for bootlegging -- whatever else has gotten them there -- they are our fellow Yukoners and ultimately they, in most cases, will return to our society.

From the perspective of being a decent human being who worries about their fellow man and woman, we should want them to be in a facility that will give them the greatest chance for success on their reintroduction. From the perspective of being concerned for ourselves and our families and our fellow Yukoners, we want them to have the best opportunity to mend, to be rehabilitated, to get the treatment that they require in order to have the least likelihood of reoffending when they return to society. That is difficult to achieve in the current facility. That is by the admission of the people who work there, and it is what we hear from the inmates.

I know that last year I had the opportunity, along with my colleague from Porter Creek South, to have a tour of that facility, along with the Justice minister. We were told, in particular by the female inmates, that they feel that they have very few opportunities. Their opportunities for programming are extremely limited, even compared to their fellow male inmates.

Their opportunities are restricted, in some cases, to an hour a day. The living facilities were -- I won't say medieval -- certainly abhorrent, Mr. Speaker. We know that when we send people to jail that we aren't sending them on holidays, but they shouldn't be living in places where the baseboards are missing, the tiles are absent, the paint is peeling and windows are broken. In general, it is in extremely poor condition, because it is long past the time that it should be replaced.

Here in this budget, in last year's main estimates, voted to date, we see \$507,000 for the interim space renovations. It was not all spent; but it will all be spent. I think the news announcement indicated it will take some \$700,000 to accomplish the interim space renovations because the quotes that came in were higher than the amount budgeted. It is very disturbing to see that amount of money go into a facility that ultimately will be torn down. Do we have to do it to maintain the safety of the inmates and the correctional officers? Yes, we do. Should we be doing it? Well, had this government moved forward in 2002 or 2003 or 2004 or 2005 to build the new facility, then we wouldn't be spending this \$700,000 -- or whatever it will come to this coming year -- on this euphemistic interim space plan renovation. Instead, we would be dealing with perhaps putting that money toward the rehabilitative programming in the new facility.

A land-based treatment facility -- while I'm in this area -- is something that has long been promised. I know it's something First Nations want to see. I don't see any money in this particular budget for that. I do see that there's an addition of another \$57,000 in capital expenditures for office furniture, equipment, systems and space. I'll be curious to know if that is to make the facility more liveable for the inmates or what exactly that is for.

In moving forward, there are other areas of the budget where we see very little money being spent, and they do concern us. For example, in the Yukon Housing Corporation, affordable seniors housing, \$500,000 lapsed. We know it will be revoted but, again, we ask why this government cannot get the programs done they commit to in the time in which they commit to doing them?

What we are seeing is a pattern, and that pattern is of continuous repetition of the promises. The promises are made; there are big announcements; the media is all invited and then when we get these second supplementaries -- when we get these final budgets in any given year -- what we see is that the promises have not been kept, and we get a new promise and the new promise is to do it the next year. Then it gets announced again with equal fanfare.

I see the Energy, Mines and Resources minister is looking on keenly with interest in what I'm saying, because he knows that does happen. I'm looking at his department -- the northern strategy, the money toward the mine training -- which was in the budget to date for \$500,000. In the supplementary budget, that amount is being lapsed, and presumably it will reappear next year, but I would ask if that minister or the Economic Development minister -- whose budget it is -- can explain why the programming couldn't be developed during the year when it was announced and the money was first budgeted. That's all

we're asking. Why do these things not get done when the government announces that they will do them?

I know that the Premier, the Finance minister, made some comments to the Whitehorse Chamber of Commerce at a luncheon earlier this afternoon. I think one of the things he apparently commented on is the fact that there were significant monies set aside to develop land, and he said that the government was ready and willing to develop the land -- he said so earlier here today -- but it was sort of other people's fault. It's kind of a recurring theme; it's always someone else's fault that that didn't happen, because the other levels of government -- presumably he's referring to the municipal government, the City of Whitehorse -- didn't get their end of the deal done.

For example, I see the Takhini North infrastructure replacement, the \$1.4 million that was in the estimates prior to this supplementary is now lapsed and will presumably be revoted next year. I would ask: can this government not work cooperatively with the other levels of government, instead of simply saying that it's always somebody else who didn't get the job done? There's significant money in Community Services that didn't get expended, largely dealing with those areas. That is disappointing. As a result, there's significant residential land development of \$9 million that didn't occur, \$950,000 industrial that didn't occur and \$500,000 for recreational, which is the entire amount.

We know that part of the problems we had this past year with residential land development was that the surveys for the Whitehorse Copper new residential areas along the Alaska Highway, across from the golf course and Fox Farm Road, could not go ahead as planned because there were significant problems with the survey. We know that neither the Minister of Finance nor the Minister of Community Services are land surveyors, so it's not directly their fault, but we would like to know what exactly happened, who will bear whatever costs have been incurred by the delay, and what will be done to try to prevent and ensure there isn't a recurrence of this sort of problem.

I was contacted by a number of constituents, as well as by a number of people from elsewhere -- who aren't my direct constituents but wanted to become constituents of Copperbelt by building a residence there -- that they couldn't get the proper title to their land at the time because the banks were withholding mortgages.

I would like to know how this project got so off base and what will be done to prevent it in the future.

**Some Hon. Member:** (Inaudible).

**Mr. Mitchell:** The Member for Kluane, who has some interest as the critic of the Department of Highways and Public Works, is also reminding me of the changes to the highway structure in that area. A number of the residents have suggested, while the purpose was to be providing access to the subdivisions and creating additional safety, that they have additional concerns about the effect being, perhaps, the opposite of that -- an unsafe condition ends up being created.

So, one of the other areas that doesn't show up in this budget -- and we've seen announcements going forward in the budget speech -- is the education reform project. It was a long,

long time before that report was finally released. When it was released, it was not very different, if at all, from the final draft report that apparently had been obtained by one of the local media outlets who then published it on-line. We wonder why the government withheld that for so long and why, in this particular supplementary budget that we have in front of us, there doesn't seem to be any specific funding to address the implementation of this, and we'll have to wait for the detailed discussion of this coming year's budget to see exactly how much of that is going to be implemented -- in particular, what is being done with the governance structure that it suggests.

I certainly see that it is a somewhat circular and complicated governance structure. Nevertheless, it's the one that was being suggested by the people who wrote the report, following the extensive pre-consultations that occurred.

We continue to see some other issues that concern us. There is some funding in ECO for the targeted investment program for socio-economic indicators. We are curious to know exactly what that's being used for. Also, when it comes to ECO, we see that there is funding that was lapsed from the land claims and implementation secretariat. We are wondering if this just means that the department was wonderfully efficient and got everything done with less money, or if in fact this nine percent of the overall budget not being spent meant that there were things that weren't being done.

There is an additional \$400,000 for governance liaison and capacity development. We would just ask if we could get some answers from the minister responsible for the Executive Council Office, who is the Premier, as to whether this is just overall money for the employees who have been hired or are being seconded. Can he give us some details of which First Nations are receiving, or have at this point received, assistance through this in the fiscal year that is just finishing today? I don't recall hearing that in his notes. I would be interested in hearing it when he comes forward to give the details.

Similarly, we see that there is \$3.77 million in northern strategy funds that were not expanded. We know that this is joint programming done after consultation with the First Nations. Perhaps when the minister is on his feet, he would provide us with some details of which projects moved forward, what was accomplished and which ones have been put off to the next year. Again, that's not a criticism but rather a question as to what is being done.

Again, in Community Services, we're wondering what the status is for going forward with the situation in Dawson. We know this was going to be infrastructure money coming from the federal government, which would have helped Dawson address the sewage problems, but we're not sure what the status of that is, now that the city residents overwhelmingly voted to turn down the bylaw that was required to change the zoning of the land in question where the initial proposal was.

I want to say I was heartened by the minister's public comments in this area. At least he didn't take the my-way-or-the-highway approach we've heard so often. In fact, he did say he would try to work with the City of Dawson to come up with an alternative proposal that would be satisfactory to the people of Dawson and where the government would still provide the

funding to do so. Are there set limits on that? If the next proposal comes in at greater expense, is it sort of, "Well, Dawson, this is how much money you have and, if you want to do something that costs more money, you're on your own"? Or will this government be more forthcoming with the residents of Dawson and assist them with the additional money that may be required to find a satisfactory solution for all the residents of Dawson, including the Tr'ondek Hwech'in, who expressed serious concerns with the former site that was being proposed?

I would just like to go back for a minute to the Department of Education. There has been much debate in the public recently about the public schools branch. The Whitehorse Elementary School Council made some public statements, expressing their concerns about what they see as a diminished spending trajectory in the area of public schools compared to other areas in the budget. The Premier is very quick to politicize the situation and make reference to --

**Some Hon. Member:** (Inaudible)

**Mr. Mitchell:** Yes, I know it's hard to believe -- the Member for Kluane is shocked, as were we all -- but I would point out that the chair of the school council was speaking in his capacity as chair of a council. He was transmitting the position that the council -- and I have no idea of the political makeup of the various members of the school council, nor should I, because it's irrelevant. The school council put out a release; they did interviews and the Premier was ever so quick to try and identify the chair as having held a position in the former Liberal government, as if that meant that, forever forward, anything that he had to say -- and I will point out, a born and raised Yukoner -- was apparently negated in the Premier's mind by the fact that he had worked for a former government. That's a very frightening way to approach things.

I hope that the Premier isn't suggesting that any of the people who are currently working in Cabinet offices for his government won't have the right to free expression, whether serving on a school council or any other advisory board or council in Yukon, just because they may have spent some time in Cabinet offices under this Premier's watch.

That's not the way things are supposed to be here. I believe we still have some freedom of expression, and I think it was very unfortunate that the Premier chose to chastise that individual and try to condemn him for making these statements on behalf of his school council just because he previously worked in the political arm of a former government. There are many other people I've seen on school councils and elsewhere who have been, at different times, in the political branch. It's fair enough when they're in those jobs to ask which role they're undertaking, but not after the fact.

So, again, we are hearing from parents, and they're not saying that they are members of any political party but that they're concerned about outcomes. Now, I know that the teachers and educational assistants are dedicated. I'm married to a teacher and know that she is dedicated to her job, and I know her colleagues are dedicated to their jobs. So, that's not what's at issue here.

What's at issue is: what is being done to change those outcomes? What is being done to -- I see that the Minister of

Health and Social Services is cheering me on. He appreciates my comments, and he's indicating his support.

**Some Hon. Member:** (Inaudible)

#### Point of order

**Speaker:** The Hon. Member for Lake Laberge, on a point of order.

**Hon. Mr. Cathers:** The member is in contravention of Standing Order 19(g), in imputing motives to me, which I certainly did not have. I certainly was not cheering him in his comments.

#### Speaker's ruling

**Speaker:** There appears to be a dispute among members. There is no point of order. You have the floor, Leader of the Official Opposition, please.

**Mr. Mitchell:** Perhaps we'll have to try and come up with an interpretive graph for hand signals in this Legislative Assembly to make sure that we don't misjudge what the hand signals mean.

**Some Hon. Member:** (Inaudible)

**Mr. Mitchell:** In any case, we are concerned, as are other members of the public, regarding the outcomes we've seen in some grade levels and in some jurisdictions within Yukon. We know that we actually do spend a great deal of money in public schools, but perhaps we'll need to spend even more to get the outcomes we need, that the students deserve in order to move forward. Perhaps he was dizzy. He did mention earlier today that he's not feeling well. So I won't hold him to any particular meaning for his hand signals. But I do appreciate the support, if it was meant to be there.

There are some other areas where we'll await explanations from the ministers involved. We saw a very small increase in the O&M expenditures for the Women's Directorate which, when we get to the main estimates, will be superseded by a decrease, year to year. We're not sure what's going on there but we're curious as to what the \$28,000 being spent there is meant to accomplish.

I'm not going to go on all day here, because I don't want to misinterpret the cheering. I believe I'm hearing some positive words on my comments from across the way, and that's always appreciated.

Again, there are some things we wished we had seen. We wish this government had moved forward as expeditiously with the solution to the social assistance rates, which were really well below the poverty line, in this budget as opposed to telling us, once again, that it will come soon. The people on social assistance have been hearing that for at least the five and a half years of this government's tenure.

I guess what they are saying is that they'll believe it when they see it. There was an opportunity here to have put some of that money in place. There was an opportunity to help those people who are struggling to support families. I think that it is unfortunate, because I know that sometimes you hear from people about why people are on social assistance. I haven't met anybody yet on social assistance who has phoned my office or came in and said that he or she really likes the social assistance



gig and that they just wish it was better. Generally speaking, they are hoping to get off social assistance and in some cases they are struggling single parents who have not been able to find a way to support their families, as well as look after their families.

In other cases, there are people suffering from long-term chronic conditions that make it difficult for them to work, and in some cases they may even have mental health issues. There are all kinds of reasons why people struggle to maintain themselves in a workforce. Although we know that there are employers looking for workers, those entry level jobs are not always the jobs that will support those families.

The \$290 a month that was previously paid to someone who qualified for a one-bedroom apartment, wouldn't rent any one-bedroom apartment that anyone could find in this community. I don't know that the 20-percent increase that has been recently announced -- which will eventually show up in a future supplementary budget -- will address that, but it will at least be a start. Perhaps, when it comes in the supplementary budget the government will choose to make that retroactive to when they made the announcements. We don't know, but maybe that is what they will do to try to address this, but the need is real.

It's often said that a society is only as rich and only as strong as how it treats its least fortunate citizens. In the case of our least fortunate citizens, we haven't been looking after them very well, and that's for many years. It goes back over government for a long time. I know that the government will point out it didn't happen under somebody else's watch. Well, there is none of us who can be proud in this Assembly of how many years it has been with this not being addressed. I can only speak for the two and a half years I've been here -- and I have been speaking of it for that period of time. I don't have the power to affect what was done under former governments. I have only been here under this government's watch, and that's why I hold them accountable.

I know that the Finance minister doesn't like being held accountable. When you try to hold him accountable on matters such as the ABCP misadventure, he says it has happened to lots of people; lots of people are caught up in that -- it wasn't just me. That's what I call the kindergarten excuse, Mr. Speaker. That's the excuse where the teacher calls you to task for your behaviour and instead of accepting responsibility, you say, "Well, everybody else was doing it; everybody else was doing it too."

I expect that in other jurisdictions where they've been caught up in this, they'll be taken to task by their citizens. But it's the citizens of Yukon who will take this Finance minister to task. It's the residents of Yukon who for years to come will be told that something can't be done because the money isn't available. When the money isn't available -- it may exist on the books. It will perhaps show up on the books, because this minister doesn't see fit to make an adjustment to those numbers -- it may show up as being there, but you can't spend it. You can't spend it, Mr. Speaker. It would be as if you needed to make a mortgage payment to your bank but, unfortunately, the money in your savings account was frozen until 2016.

The bank wouldn't be too interested in hearing that it was your money, but you just couldn't get your hands on it for eight years. It's imaginary money when you can't get it. For all the fancy words and all the prevarications we've heard, this minister has not yet explained that there's no ability to access that money at this point in time. He has talked about Finance officials on alternate days. On odd days of the week, he says he has great trust in the Finance officials; on the other days -- perhaps the even-number days -- he says the Finance officials did something and they didn't mean to do it. That looks to me like he's laying the blame at the feet of the Finance officials. We'll probably never know, because the minister won't answer questions in this House. He likes to ask them.

Today he was asking our opinion, which goes against the grain for two reasons: one, you can't ask for opinions, and two, the government side is not supposed to be asking the questions, according to our Standing Orders -- on the subprime mortgage in the states. He thought he was being quite clever with that.

If he can unravel that, good for him, but I would suggest that Yukoners don't really give a whit about what happened in the states, except for whatever portion of that may underlie some of the rotten investments that we've made. He doesn't seem to want to answer those questions.

The closer you get to something that bothers this Finance minister, the more he points the finger. Earlier today, one of his colleagues made comments about me supposedly owning a couple of hotels. I don't own so much as a bar stool in a hotel, Mr. Speaker, but I have invested in real estate investment trusts, and I probably have a one-percent position in one. I'm not a decision maker because, when I ran for office, I resigned from the board. When I met with the Conflicts Commissioner, I asked if that was sufficient, or if there was something else I had to do. He said that being on the opposition side, there was nothing else I had to do. I was not a decision maker for government, and I wasn't a decision maker in the public company.

I would point out that, if it bothers the members opposite, if they go back a year, they'll find I had investments in Dell computers. I recognize the government buys a lot of Dell computers, and I would suggest that, even if I were on the government side, I couldn't benefit from my investment in Dell or in Microsoft or in anything else. It's just silliness.

The only concern comes when a person is in a position to benefit. That's the test. The test is not if anybody own something.

I know there are members who have been in this House who had shares in Air North. But I dare say that the president of Air North isn't making his decisions based upon the one or two shares that they might own. I have seen those on declarations. It's irrelevant.

In any case, I know that there are others who may want to speak. I look forward to hearing from the Finance minister who will no doubt have interesting things to say.

I can't commend this budget based on the things that are missing from it. Perhaps the Finance minister and his colleagues can assure us -- in some way other than news announcements, press releases and interviews -- that some of the

areas that I have addressed this afternoon will, in fact, be addressed in future budgets.

Thank you.

**Hon. Mr. Cathers:** That was quite a long soliloquy from the Leader of the Official Opposition.

It's disappointing. On this side of the House, I think we always come back to a legislative session with a faint twinge of hope that perhaps members of the Liberal Party, in particular, will be a little more constructive in their approach, a little less negative and a little more factual in the comments they make in the House.

It's disappointing to see that they have not taken action to address that approach. They are not providing constructive suggestions; they are opposing for the sake of opposing, rather than engaging in productive, constructive debate, which I would think most members of the public -- and I would hope most members of the Legislature -- would characterize as opposing something when it should be opposed, agreeing with things that have merit to them, and thirdly, of course, providing suggestions of how to change it if you don't agree with it.

We don't see that from the Liberals.

Now, Mr. Speaker, in the long diatribe there of the --

### Unparliamentary language

**Speaker:** The honourable member knows full well not to describe another member's speech as a "diatribe". Please do not do that. You have the floor.

**Hon. Mr. Cathers:** Thank you, Mr. Speaker. I will not refer to that by the term which you directed me not to. I regret saying a term that you find to be out of order.

Let me rephrase that, Mr. Speaker, by noting that in the long commentary provided by the Leader of the Official Opposition, there was much that is not constructive and also not worthy of reply.

I could stand here for a significant amount of time myself debating that, but it would be a waste of time listening to -- the second time, having it explained to those who are listening, if anyone indeed is -- having me explain why the Leader of the Official Opposition's comments are not factual would be of very little more value than listening to the Leader of the Liberal Party say them in the first place.

But on one issue, in particular, I simply cannot allow him to keep misinforming the public with the comments he makes. The member refers to money for social assistance and keeps saying publicly, "It's not in the budget. It's not in the budget."

Well, the money has been set aside for months. I would urge the Leader of the Official Opposition, the Leader of the Liberal Party, to take a look at the budget. Simply by looking at numbers, he'd note that the caseload for social assistance since 2006-07 has decreased and the total dollars have increased significantly. What part of this does the member not get?

Now, another comment -- the member suggested that on social assistance rates he seemed to be trying to raise a public image that this government had been promising for five years to raise social assistance rates. Mr. Speaker, that's not factual.

In 2002, when we were elected, this government did not promise to raise social assistance rates, nor did we promise to review them. That's why, in that mandate, we did neither. We kept our commitments; we stayed in line with the platform we committed to, to Yukoners, and upon which we were elected.

However, in the 2006 election platform, we committed to review social assistance rates and the structure, and we did so.

The member, again, continuously fails to understand that social assistance reform is about far more than rates. The rates are an important part of it, but a minor part. The structure of the system was the key part. The change to the earned-income exemption is the key part, based on the review done by department officials and, in fact, recommended by a number of policy groups, such as the Fraser Institute, for one -- there are a number that have supported such initiatives, based on their successful implementation in other jurisdictions, both in Canada and other countries.

They have noted that those things are beneficial to provide the financial incentive and the financial framework that assists people in leaving social assistance, building up personal resources as they have entered the workforce, and then being able to permanently remove themselves from the program. We have followed the best advice from not only Canada but other areas in the world in changing the program.

The social assistance reform is aimed at creating a fundamental change in the structure and it is aimed at helping people get off the system and be in the workforce permanently, to never be forced to return to social assistance and to have the ability to continue to build their own personal resources and that of their family in the workforce. As I have said before in the House, the nearly 70 percent who have been on and off the system have a demonstrated willingness and ability to work, but clearly something is putting them back in the door and on social assistance. That is what this government and officials in my department went to work on and they have come up with an excellent outcome.

The member knows full well that we must wait for our partners that provide services to First Nation citizens to implement those changes within their system, that it would be patently unreasonable and unfair for the government to move forward for the services that we deliver without respecting our obligations to our partners and without allowing them the time to implement a comparable level of rates and services to First Nation citizens. We have followed our obligation of consulting on the policy and that response was positive. Now we are simply waiting for them to give us the thumbs-up that their systems are ready to go. Health and Social Services has been ready for months. The Leader of the Official Opposition knows it and I would encourage him to stop misleading the public.

With that, Mr. Speaker, there's very little else that's worth responding to in the Leader of the Official Opposition's comments. I look forward to what I hope will be constructive debate from members of the opposition.

I see the Member for McIntyre-Takhini is waiting to speak and I hope that, along with criticism, we'll see positive contribution from that member, as we sometimes do from the third party, for which we give them credit.

**Mr. McRobb:** I would say, if anybody's misleading the public, it's the Member for Lake Laberge.

**Some Hon. Member:** (Inaudible)

### Point of order

**Speaker:** On a point of order.

**Hon. Mr. Cathers:** The Member for Kluane just accused me of misleading the public, which is clearly in contravention of our Standing Orders, that being either 19(g) or 19(h), or a combination of both.

### Speaker's ruling

**Speaker:** From the Chair's perspective, you could pick any of the Standing Orders. I've heard it come from both sides. Members, there is no point of order. Member for Kluane, carry on, but watch yourself, please.

**Mr. McRobb:** Thank you, Mr. Speaker, and I will respect the ruling, because I think there is precedent that we avoid that term. I was just putting it back to the member, who just said it himself.

### Speaker's statement

**Speaker:** Order please. The member has been here long enough to understand that we don't discuss or debate a point of order. It is a point of order; it has been ruled on. The Member for Kluane has the floor.

**Mr. McRobb:** Thank you, Mr. Speaker.

The question I have pertains to the health centre in Watson Lake. I see the cost overruns are really going well beyond the original appropriation of \$5.2 million. At the year-end amount here, we see a total of nearly \$7 million. I note there's an appropriation this year as well.

What is the latest figure spent and appropriated to date? In the interest of accountability, would it be possible to have provided to us a written breakdown of all the costs incurred? I believe that would be extremely helpful. Is that something the government could provide -- a written breakdown of all the costs of this project?

**Mr. Edzerza:** The third party sees really no value to rehash the *Supplementary Estimates No. 2* for 2007-08. The Leader of the Official Opposition talked at great length, covering all departments. Members of the third party have come to an understanding that we cannot change history and the *Supplementary Estimates No. 2* are basically a done deal. We did have some concerns about cost overruns and the length of time it takes to complete a project. However, our main interest is going to be focused on the main estimates and all the legislation that is before the House.

So, having said that, I look forward to going into line-by-line. Thank you.

**Hon. Mr. Rouble:** It's my honour and pleasure to rise today in support of this supplementary budget. This budget is consistent with the Yukon Party's vision, with the platform that

we put forward, the ideas that we put forward to Yukoners and that have been endorsed by Yukoners. It is consistent with our previous budget and it takes us in a very positive direction.

I will keep my comments very short here today, as there is a very large budget before us, as well as a large legislative calendar. I would encourage all members not to participate at a -- I believe that the Leader of the Official Opposition characterized it as a "leisurely pace." Now, I appreciate that he may want to do that and indeed, it's his right to do that; however, there is a significant amount of legislation before us.

I wanted to speak a bit to the Department of Education in second reading here. This budget continues to build upon the departmental objectives that have been set for it. Members will note that there is a bit of a change between last year's budget and the budget that is before us. If members do wish to engage on that, I will certainly entertain them with that and debate that; however, I will follow their direction. If they wish to not discuss the departmental objectives or a vision of education and instead focus on the operational elements of the budget, I will respond to their wishes and desires and do that.

Mr. Speaker, there are some very good changes in this supplementary budget where the Department of Education has been responsive to needs of the community and needs of the students in the systems. They have also responded to issues such as increasing heating fuel cost budgets. This supplementary budget provides \$147,000 for 10 additional educational assistants. Members will recall that they brought this forward as an issue, and I apprised members that this indeed was an issue that the government was looking at addressing, and I'm pleased to say that this supplementary budget has responded and has provided funding for this school year for 10 additional educational assistants. I trust that this will address some of the concerns raised by the Leader of the Official Opposition.

Also, Mr. Speaker, this supplementary budget includes over \$130 million in one-time funding for the experience increase for our teachers and to accommodate the one-time increase for teacher accrual. So, Mr. Speaker, we are putting more money into teaching assistants and more money out there for teachers.

As well, Mr. Speaker, this budget is requesting a further \$369,000 in northern strategy funding to be transferred from the Executive Council Office and this will cover \$95,000 for training to develop municipal and First Nation government capacity, \$49,000 for boards and committees leadership training services, \$75,000 for revitalization of culture through storytelling and technology, and \$150,000 to revitalize and perpetuate Yukon First Nation languages.

Mr. Speaker, this supplementary budget is responding to identified needs in our communities and we're working with all of our partners in Education in order to do so.

Now, there certainly has been some debate going on out there about the level of education funding and I am pleased to note that the Yukon Party has continued to increase funding for education and that, when one takes a look at education funding over the last few years, there was really only one reduction in education funding and that was when the Liberal Party was in power.

I know that the Liberal leader and the Liberal critic for Education -- oh, I don't believe they were Liberal Party members at the time. I'm not sure about the Liberal leader, but I don't believe the Liberal critic for Education supported the budget, as he was in an opposing party at the time, and I can see why.

Investing in education is one of those important things, and one only has to look at the public accounts to see the facts of the matter -- where we've seen the Education budget grow from \$100 million a few years ago to over \$130 million now.

We only need to look at the number of teachers and students we have in our system to see that our numbers of teachers and educational assistants are increasing, while at the same time our student population is decreasing.

We only need to look at the changes in the Department of Education, with the First Nation program and partnership, the working groups on curriculum design, our education reform project, and working with our different partners and stakeholders in education to make changes to our education system to better serve the needs of all students. We're working with our teachers, curriculum and the delivery model we use in education.

So we are indeed being responsive to the needs out there. If the members opposite would like a bit more accurate background information, I would be pleased to provide them with a copy of the Department of Education's annual report and show the trends toward educational spending.

I know we can get into quite a bit more on this in the departmental debate in the main budget, but it was just brought up here, and I wanted to briefly touch on it.

The Department of Education is working to build a responsive education system to meet the needs of Yukon students and Yukon communities. This supplementary budget further enhances that, and we'll continue to work with all our stakeholders and partners in education as we move forward.

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

**Hon. Mr. Fentie:** It has been an interesting afternoon, to be sure.

The third party, giving credit when credit is due, recognizes what this supplementary is actually all about. It's a year-end. In fact, the year-end is midnight tonight, March 31.

We respect the third party's approach to this matter, unlike the Official Opposition, whose leader meandered endlessly on all kinds of representations of the supplementary that certainly aren't written on the pages of the supplementary budget at all. He is very confused about a lot of matters that have transpired over the last fiscal year. I think it's recognized by most Yukoners that the Leader of the Official Opposition tends to be confused; he is even confused about his own role in certain committees. What is really happening with the Official Opposition is very much a concern. I think that Yukoners are starting to recognize that the real opposition in this House is certainly not the Liberal benches. We have only to look back last week to a demonstration of that fact.

The long and the short of it is the fact that the supplementary that we've tabled is really demonstrating how our year-end will wrap up, yet there is another step. The Auditor General must now do the accounting on our books, and we will provide, through the public accounts, the final -- as audited -- year-end for the fiscal year of 2007-08.

It was a good year in Yukon; there was more infrastructure being built, more people were moving in, the employment rate held steady at one of the lowest in the country. There was investment in the resource sector, in tourism, in real estate, in buildings and so on. Everything was continuing to grow. The trends are all very positive. The Yukon is becoming, more and more, a very attractive part of the country, a very important part of the federation. Indeed, what was once the best kept secret in Canada is now out, given the interest in our wonderful territory.

I'm not sure where the Leader of the Official Opposition was actually coming from. The meanderings of his dissertations here this afternoon with respect to the year-end can be likened to the 40 years Moses spent in the desert meandering around. I'm not sure what point the member was trying to make with respect to our year-end.

I think it's pretty clear in the detail. The budget was thoroughly debated in the last budget sitting when we tabled the 2007-08 budget. The Official Opposition did not support the budget then; they did not support the budget now. They've spent a lot of time trying to reconstruct the past, instead of focusing on building Yukon's future. That's why we're government and they're not. We focus on building the future, not trying to reconstruct the past.

Mr. Speaker, this is our final tabling of the fiscal year 2007-08 and we look forward to the accounting done by the Auditor General and a tabling of our public accounts in the fall. Thank you, Mr. Speaker.

**Speaker:** Are you prepared for the question?

**Some Hon. Members:** Division.

#### Division

**Speaker:** Division has been called.

#### Bells

**Speaker:** Mr. Clerk, please poll the House.

**Hon. Mr. Fentie:** Agree.

**Hon. Mr. Cathers:** Agree.

**Hon. Ms. Taylor:** Agree.

**Hon. Mr. Kenyon:** Agree.

**Hon. Mr. Rouble:** Agree.

**Hon. Mr. Lang:** Agree.

**Hon. Ms. Horne:** Agree.

**Hon. Mr. Hart:** Agree.

**Mr. Nordick:** Agree.

**Mr. Mitchell:** Disagree.

**Mr. McRobb:** Disagree.

**Mr. Fairclough:** Disagree.

**Mr. Inverarity:** Disagree.

**Mr. Cardiff:** Disagree.

**Mr. Edzerza:** Disagree.

**Clerk:** Mr. Speaker, the results are nine yeas, six nays.

**Speaker:** The yeas have it. I declare the motion carried.

*Motion for second reading of Bill No. 9 agreed to*

### **Bill No. 53: Second Reading**

**Clerk:** Second reading, Bill No. 53, standing in the name of the Hon. Mr. Fentie.

**Hon. Mr. Fentie:** I move that Bill No. 53, entitled *Act to Amend the Tobacco Tax Act*, be now read a second time.

**Speaker:** It has been moved by the Hon. Premier that Bill No. 53, entitled *Act to Amend the Tobacco Tax Act*, be now read a second time.

**Hon. Mr. Fentie:** Tobacco use and addiction in all its forms is a very serious, serious problem for Yukon, Canada and indeed the global community.

Worldwide, smoking kills more adults than any other single cause. Fifty percent of all long-term smokers will die from tobacco-related illnesses, and half of these smokers will die up to 25 years prematurely during productive middle age.

In Canada, mortality studies conducted by Health Canada indicate that smoking and second-hand smoke is the primary cause of 22 percent of Canadian deaths per year. Sadly, included in these deaths are almost 100 children under the age of one. In Yukon, according to Statistics Canada's most recent biannual community health survey, 30.4 percent of Yukoners over the age of 12 smoke. This is 8.6 percentage points above the national average. Mr. Speaker, I find that astounding and appalling. Yukon is the only jurisdiction in Canada to show an increase in the incidence of smoking between the last two surveys. These are not statistics to be proud of.

Mr. Speaker, governments have three tools to combat tobacco addictions. They are: legislative actions, such as smoking bans; public education, such as the Yukon tobacco reduction strategy; and taxation. While all three tools are important, tobacco taxation is a very effective deterrent to smoking, especially among youth. Despite the importance of the tobacco tax as a deterrent to tobacco use, the rates have only changed four times since 1974, and often minimally at that. Consequently, Yukon today has the lowest taxation on tobacco and the fourth lowest taxation on cigarettes in Canada.

Today the government side has acted, and we are proud to introduce the most comprehensive changes ever to the *Tobacco Tax Act* here in Yukon. Our long-term goal is to see significant reduction in tobacco use in people of all ages, but especially in Yukon youth. Mr. Speaker, with this act, the Yukon will have the highest rates in Canada for cigarettes and cigars, and the second-highest rates in the country for loose tobacco. A 10-percent increase in the price of tobacco products reduces consumption between two percent and five percent.

However, for youth -- especially those who have not started to smoke -- the effect of a 10-percent price change can be up to three times larger than for adults. In the long term, we seek a deterrent measure that will reduce smokers in the Yukon -- those who are smoking -- and deter those from starting to smoke.

But even in the face of these statistics and the three tools available -- the tools that I mentioned moments ago, such as the Yukon tobacco reduction strategy -- the Official Opposition and the third party in this House have voted against successive measures in that regard. We all know -- and so does the nation and the global community -- that one of the tools that we have available to deal with tobacco addiction is education and prevention measures. Yet they've been opposed.

On the positive side, the third party -- the NDP -- did bring forward smoking-banning legislation, which the government side worked on closely and cooperatively with all members in this House to proceed to establish that second tool -- legislation banning smoking in public places. But yet, as we went through that debate in moving and advancing that bill through this Assembly, the Official Opposition stood up and promoted the smoking of young people as an amendment measure. They actually promoted the smoking of 16- and 17-year-olds in the face of these statistics. This is something that the Official Opposition must answer for. This is a dereliction of duty; this is not something that will be effective and constructive in any way in dealing with what is the most challenging issue in our health care system today.

Then with the third tool, the taxation measure -- which the statistics show is a deterrent -- the Official Opposition stood up and made the accusation this is nothing more than a tax grab.

In the face of the evidence, in the face of the statistics, this is the position of the Official Opposition. Let me repeat: they are opposing measures of prevention and education, to reduce the starting of smoking and those who smoke today. It is a strategy used across the globe. They opposed that.

They stood up on the second tool of legislation -- banning smoking in public places -- and promoted the smoking of 16- and 17-year-olds as an amendment to that legislation. That is an irresponsible act by anyone's measure.

And on the third tool -- the measure of deterrence through taxation -- the members of the Official Opposition actually stood up and accused the government of conducting nothing more than a tax grab in the face of all this evidence.

I challenge the Official Opposition to stand up and correct the record, and stand down on that position, as they have on many other occasions taken positions that are of absolutely no use to the Yukon public. In this case, it's clear that the Official Opposition certainly had an agenda here that was not in the public interest. There are many other examples of that very fact.

I think it's clear that we have an Assembly that is very much divided in its view of the public interest. We have the third party and the government side committed to ensuring that we do something about the statistics that I have just brought forward. The fact that 30.4 percent of the Yukon population are smokers, and the fact that we are the jurisdiction in the country that is leading the country of Canada in new smokers -- people who start to smoke -- these are not statistics, as I said, to be proud of, and we must deal with them.

Effectively, the government side and the Official Opposition are in disagreement. The third party has made a constructive contribution. The two parties, the government side -- the

Yukon Party -- and the third party -- the NDP -- are committing themselves to do something about it.

I can't even fathom what it is the Official Opposition thinks they're doing with the positions they've taken. But I think they should stand up, reverse and rescind those positions, and apologize to the Yukon public.

We as the government recognize the challenges here. We've been criticized by the medical community, and we accept that criticism, but we are doing something about this very difficult challenge in Yukon's health care system. It's too bad that the Official Opposition hasn't become part of the solution and remains part of the problem.

*Applause*

**Mr. Mitchell:** Please hold your applause until later.

I do have to say how disappointed I am that the minister chose to play these silly, silly, juvenile, partisan games once again in the House today, because I was prepared to simply rise and speak in support of the bill in this House, the same as I did publicly on the radio when the bill was first tabled. And I will speak in support of the bill; I've never spoken in opposition to the bill.

The minister's position -- although it wasn't always his position and it wasn't always the Minister of Health and Social Services' position, as we heard the other day when the Member for Mayo-Tatchun recited his words of only a scant six months ago. But they have mended their ways, and the minister is now onside, as he says, with every other jurisdiction.

But what we've just seen is the worst kind of partisan politics. The Finance minister said that we -- and in this case he said the third party -- voted against all these measures. Well, what he is referring to, of course, is that we have voted against budgets.

It's a long tradition that opposition governments vote against budgets when they disagree, either with things in the budget or things that aren't in the budget. There may well have been measures toward reducing smoking in budgets that we voted against. But there were other things we found that were unacceptable -- things that were lacking.

Now, what are the facts? The member opposite said he is interested in the facts. One wouldn't be able to tell that from the strange case he painted.

One, we've never voted against Bill No. 104, *Smoke-free Places Act*, which came forward in this Legislature.

We voted at second reading to move it into Committee, and we voted for it at the end of the day. We did our job, which was to ask questions. Apparently, the government side just felt that it should be a slam dunk. The third party tabled a measure; we should just say, "Passed. Move on; we're done." That is not what we're here to do. We are here to test the case. The Health minister pointed out some areas having to do with enforcement that in the original Bill No. 104, his department found likely to be lost in a court case based on the City of Whitehorse smoking bylaw, so they proposed amendments to that and we supported the amendments. I'm quite certain that I thanked the Health minister for doing that, because it addressed a concern that I had had at second reading about the enforceability of managers

literally acting as police forces to control people who are in violation of the law.

Similarly, we saw other measures that we felt were difficult to enforce. We felt that it would be difficult for an RCMP member, for example, to determine whether it was a 17-year-old or an 18-year-old who drove by at 90 kilometres an hour, where that is permitted, or 100 kilometres per hour, where that is permitted, who was smoking. What is that police officer to do? Is he or she to say, "Oh, I think that might have been an underage smoker?"

We made it clear that we felt that when a person was by themselves -- and not the subject of other people's second-hand smoke -- and driving in their own vehicle, that it was more practical to say, the age when you can drive -- when you can lean against the vehicle and smoke -- should be the age that we use so we don't ask police officers -- who should be going after the serious criminals, the people who are selling heroin and cocaine to our kids, the drug dealers in the territory; that is who they should be going after, not the smokers.

I don't smoke. It would be fine with me if it were a smoke-free world, if nobody smoked. I've never smoked. I don't like the smell of it, and I don't like how it makes me feel. I cough when people are smoking around me, and I remove myself from the situation. Similarly, I raised two issues during that debate. One had to do with patios and self-serve situations, and the other had to do with consenting adults where there were two or more people driving in their own vehicle, but in the use of their employment, and this legislation will now make law breakers out of them.

I asked the questions because I suspect that, if two 50-year-old people were driving down the highway in their own vehicle in the course of employment, be it as a realtor or be they insurance salespeople, if they were ever to be pulled over from that particular clause, I'd be very surprised if it didn't get thrown out of court and found not to be constitutional.

I ask the question: are we going to spend our money on enforcing the parts that make sense or on every last detail that somebody may have suggested? So much for the idea that we didn't care about young smokers or anybody else, and so much for the idea that we've opposed measures. If we've opposed measures when voting against budgets, well, yes, you oppose all kinds of things. A number of members opposite didn't sit in opposition, but I know that the Premier did and certainly he's voted against budgets in his time in opposition -- that didn't mean he was against every last measure in them. He knows that's a fallacious argument; it's just meant to try to describe somebody differently from what their position is. So, I just want to put that on the record now.

The third thing is that he claimed we were against this bill. I said when I spoke publicly on the radio in an interview that I supported the bill, that although I had concerns about its impact on some people, it was a measure whose time had come. We still support the bill and we will vote for the bill.

There are some things that I want to mention. It is good to see a number of the proposed amendments to this act; it does cover a lot of housekeeping issues with the existing act that needed to be cleaned up; it streamlines how the taxes are calcu-

lated and collected and it does make us more consistent with other jurisdictions in Canada. It also allows for a bit more clarification on the penalties for offences against the *Tobacco Tax Act*. Altogether, these amendments will hopefully improve the administration of this act.

Of course, last but not least, the real reason for the amendment to the act -- as I've previously mentioned, despite the fact that the Finance minister wasn't listening -- is the increase in the tax rate on cigarettes and loose tobacco in order to discourage smoking.

Now tobacco dealers and retailers have a clearer indication of what is expected of them. These amendments to the act also add a section for appeals, which was sadly lacking in the current act.

We are somewhat worried, based on some input we have had from business people, about the implementation date being July 1, 2008, as it is right in the middle of the tourist season and may add undue pressure to current dealers and retailers. However, we acknowledge that they will have had several months to prepare for this. And hopefully, in terms of the price changes they have to put into effect, effective that day, they will be able to do so.

But the increase in taxes may -- and this according to members of the public and particularly the Yukon Anti-Poverty Coalition, which has raised this point publicly. They raised it with me last Thursday evening, when I attended their monthly meeting. It may put undue stress on those people who purchase loose tobacco or those who are on fixed incomes, including seniors and those on social assistance -- people who are living with less funds available. But this increase in taxes now ties us with the other territories for having the highest tax rate, and that, I guess, is equality.

Something that could have been included in the amendments is clarification of the period time that the dealer or retailer has to preserve the books and records of sales for examination. Nowhere is a time limit stated; it only states that if need be, preserve the books and records for any period of time that may be prescribed.

Mr. Speaker, as I've said already, we in the Official Opposition support the stated intent of this act: to act as a deterrent to young people starting to smoke, so that perhaps they won't start to smoke, and to encourage existing smokers to quit smoking.

In that spirit, we would like to suggest that the government consider using the proceeds of this increased tax on tobacco to directly help existing smokers to quit. They can do this, for example, by making smoke cessation aids, like the special gums and prescription items, like the nicotine patch and others, available at no cost to smokers who self-identify as wanting assistance to quit smoking.

In addition, they can create smoke-cessation programs and provide them at no cost to smokers who wish to enrol. We've heard from groups such as the Yukon Anti-Poverty Coalition, who asked me to bring this point forward. It was one we had previously tabled a notice of motion relating to. They asked us to raise the issue as it would go a long way toward making it more tolerable to have these higher taxes, which they believe

will impact more seriously on those who can least afford to pay these taxes -- poor people, people living below the poverty level, and seniors, elders and pensioners.

I look forward to hearing from the Health and Social Services minister or the Finance minister on whether they are open to this idea, which we have heard from many Yukoners since this new higher tax was announced.

#### **Motion to adjourn debate**

**Mr. Mitchell:** Mr. Speaker, seeing the time, I would move that debate be now adjourned.

**Speaker:** It has been moved by the Member for Copperbelt that debate be now adjourned.

*Motion to adjourn debate on second reading of Bill No. 53 agreed to*

**Mr. Inverarity:** I move that the House do now adjourn.

**Speaker:** It has been moved by the Member for Porter Creek South that the House do now adjourn.

*Motion agreed to*

**Speaker:** The House now stands adjourned until 1:00 p.m. tomorrow.

*The House adjourned at 5:25 p.m.*