

Yukon Legislative Assembly
Whitehorse, Yukon
Wednesday, November 26, 2008 — 1:00 p.m.

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

Prayers

DAILY ROUTINE

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

Tributes.

TRIBUTES

In remembrance of Robert Couchman

Mr. Mitchell: I rise today on behalf of the Official Opposition to pay tribute to the life of Robert George James Couchman — “Bob” to his friends.

Bob Couchman was a kind, caring man who had a passion for social justice. As a young man he worked with street gangs and youth in the pool halls and back alleys of Toronto, the city where he grew up. After graduation he attended teachers college and taught for six years until he was hired as director of the department of student services. While he was teaching he earned his BA and then obtained a master’s degree in education. From there he moved on to become the executive director of the Family Services Association of Toronto. During Bob’s 15 years with the association, he helped to create a camp for children with special needs and a domestic response team to address domestic violence, along with many other activities.

In 1989, Bob was named president of the Donner Canadian Foundation, a foundation that provides financial support to charitable organizations and to groups doing research on public policy and education. There he helped finance many important and creative projects, as always trying to focus on those in need.

In 1996, Bob moved to Atlin where he was involved in every aspect of the community. He continued to be an advocate for youth and the underprivileged. He joined the volunteer fire department. He became involved in several amateur acting projects, most notably acting in the various murder mysteries that were produced each summer on the *Tarahne* and in the Globe Theatre.

Bob continued to enjoy his love of the outdoors, spending time canoeing in summer, hiking on the trails, and cross-country skiing in the winter, often accompanied by his youngest son, Michael.

In 1999, Bob moved to the Yukon to become executive director of Yukon Family Services Association, now known as Many Rivers Counselling and Support Services, until retiring from that job in 2001.

Bob was a tireless worker and advocate, with a strong social conscience, but he still found time in his busy schedule to write books, for storytelling, for poetry and plays. He was a volunteer, an active church member, a founding member of the Yukon Anti-Poverty Coalition, a worker on creating the Out-

reach van in the City of Whitehorse, a volunteer with the Rotary Club of Whitehorse and the United Church’s social justice committee, and he sang in the church choir — all this in his spare time.

After his retirement, he continued to consult with many organizations on social issues, still giving of himself to help others. Bob Couchman’s goal in life was to leave the world a little better place than he found it. In that, I’m afraid he was not successful, because Bob left the world a much better place than he found it.

Bob, you left us too early, but we continue to remember you and look at the examples you set every time there is an issue that needs our attention on behalf of the underprivileged, the poor, and most of all young people who need our guidance and our assistance. To your children, Stephen, Barb and Michael, to Jane Couchman and Carolyn Moore, to all the people who love you and miss you, we who were your friends thank you for all you did. You will be missed.

The following words by Kurt Hahn are from *The Celebration of Life for Bob Couchman*:

“Be tough, yet gentle. Humble, yet bold. Swayed always by beauty and truth.”

Thank you, Mr. Speaker, and with your indulgence, I would just like to welcome to the visitors gallery today many friends and associates of the late Bob Couchman, in particular from the Yukon Anti-Poverty Coalition and from Rotary, as well as others. Thank you.

Applause

Hon. Mr. Lang: I stand here on the government side to reflect on the many years that I knew Bob Couchman and the years we as a government worked with the individual. I can’t say much more than the Leader of the Official Opposition has said. Bob will be greatly missed, not only by Yukoners but by Canadians. His was certainly a life well-lived, and I am thankful for the time I had with him.

Thank you.

Mr. Hardy: It’s with great pleasure that I rise on behalf of the NDP caucus to pay tribute to a dear friend of the Yukon, Bob Couchman, who passed away on May 3 this year. I wish to acknowledge that this tribute has been written largely by two very close friends of Bob’s: Brooke Alsbury and Mark Kelly, who are not in Yukon presently; they are away on studies. Of course it’s influenced by many of the close friends who are here today in the gallery to pay tribute and to hear the words that we speak. As the Leader of the Official Opposition indicated, I hope everybody recognizes their love for Bob Couchman.

Bob Couchman loved the north, its people and culture. From Toronto a dozen years ago, he moved first to Atlin and then to Whitehorse to, as he said, move where he could enjoy things he had come to cherish. His dedication to this place was seen in the imagery and art he collected and his commitment to the issues and concerns of the people of the Yukon.

Bob returned to the Yukon after receiving medical treatment in Toronto earlier this year. His first e-mail said, “I woke

this morning to see the sun rise over the eastern mountains of the Yukon River valley. Ah, my spirit is at rest.”

He resisted any attempt to have him moved south again. He was drawn, as he was most of his life, to the work of social change and, as a result, immersed himself in many community initiatives dedicated to young people. He was an active member of many groups that seek to improve the lives of Whitehorse citizens, and specifically those who are most marginalized. He was a member of the Rotary Club of Whitehorse and the United Church. In both of these, he served as a representative for the social projects the groups took on.

Bob also was a member of the Anti-Poverty Coalition, the Substance Abuse Prevention Coalition, the Whitehorse Planning Group on Homelessness, the Whitehorse Youth Coalition and the Whole Child Project. Bob’s daughter, Barbara Jane, said that her father would never pretend that it’s easy to reconcile different agendas and perspectives. She said he would certainly want to use an opportunity such as this tribute not only for reflection, but to energize people for the task at hand, to push for action, cooperation, change and to make a difference in the lives of people.

Bob was not a loud crusader. He took risks gently. He stirred pots without allowing the pot to boil over. He encouraged all of us to stand up and take a stand, to always seek what is just and right for those on the margins and to speak out with assertion in a way we can hear.

As an example of Bob’s skill and dedication to change, in 2005, he joined the Substance Abuse Prevention Coalition. During his time with the coalition, Bob was instrumental in bringing diverse groups together around its cause. Bob forged a link between the Rotary Club, the United Church and the No Fixed Address Outreach van. Bob did this with great patience, wisdom, thoughtfulness and sometime gentle finesse and nudging. He was able to effortlessly move between meetings with government ministers, front-line workers and those on the margins impacted by the meetings themselves.

Beyond all of this, Bob had a way of storytelling and humour that drew people to him. He created comfort in uncomfortable situations. He sat back through heated debate and then seemed to summarize and clarify all that was said toward a great resolution. Bob often quietly, behind the scenes, orchestrated change in policy in programs and in lives. Bob’s voice, experience, passion, and wisdom are missed by all of us whom he encouraged to dig deeper and push harder for the changes that would make our communities strong and more compassionate. The Yukon is poorer for the loss of this incredible man but in his passing, Bob has left us all a torch to carry.

In memory of Bob we will take a leap of faith, take a stand for what we believe in and agitate for social change. Our pledge to him, his family and his friends is to advocate for continuing support of the projects he worked so hard for and to do it with his gentle spirit in mind.

Speaker: Are there any further tributes?
Introduction of visitors.
Returns or documents for tabling.

TABLING RETURNS AND DOCUMENTS

Mr. Hardy: I have for tabling Rex Murphy’s *Point of View*, November 19, 2008.

Speaker: Are there any further returns or documents for tabling?

Reports of committees.

Are there any petitions?

Are there any bills to be introduced?

Are there any notices of motion?

NOTICES OF MOTION

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

THAT this House urges the Yukon government to urge the Government of Canada to comply with the United Nations Convention on the Elimination of Discrimination Against Women and step up efforts to implement recommendations to deal with the disappearance and murder of aboriginal women and girls.

I give notice of the following motion:

THAT this House urges the Yukon government to ensure all ministers comply with the statutes and regulations of the Yukon, including:

(1) the *Environment Act*, Part 2: Section 50: Subsection (1): “...for every period of 12 consecutive months in which a Yukon State of the Environment report is not made, the Minister shall prepare an interim report and submit it to the Legislative Assembly; and

(2) the *Education Act*, Part 11, Division 5, Section 205(1): “On or before 10 years from the proclamation of this Act, the Minister shall establish a process for a review of the Act;” Subsection (2): “The minister shall specify the process to be followed in the review referred to in subsection (1) and shall include in the process consultation with and involvement of the persons elected or appointed under this Act, the Council of Yukon First Nations, the teachers’ association and other groups interested in education in the Yukon;” Subsection (3): “A report of the process and recommendations resulting from the process shall be tabled in the Legislative Assembly by the Minister at the next session of the Legislative Assembly after the completion of the report;” and

(3) the *Financial Administration Act*, Part 4, all of section 39.

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

THAT this House urges the Yukon Party government to respect the principles of democracy by practising good governance, as it promised the Yukon electorate, by raising the bar of debate in this Assembly and refrain from its “evade and attack” approach to answering questions, construing members’ comments out of context, pointing the finger at past governments, refusing to provide opposition members with important documents needed for debate, rejecting outright suggestions to improve bills and instead try to be the open, transparent and accountable government it promised it would be.

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

THAT this House urges the Yukon government to explore options other than allowing for private or not-for-profit suppliers of long-term beds to alleviate the anticipated pressure on continuing care health facilities, such as:

- (1) implementing preventive health care education programs for seniors;
- (2) assuring that seniors pensions provide for a healthy lifestyle;
- (3) supporting seniors' community volunteer programs;
- (4) training additional home care workers and expanding the program;
- (5) training relatives and friends caring for seniors;
- (6) expanding respite care for relatives and friends caring for seniors;
- (7) providing financial help for relatives and friends caring for seniors;
- (8) expanding programs of financial assistance that support seniors living at home alone; and
- (9) assuring that seniors housing is safe and warm.

I give notice of the following motion:

THAT this House urges the Yukon government to recommend to the Government of Canada that measures be taken to:

- (1) eliminate cumbersome interjurisdictional health care regulations that prevent individuals from having full health care coverage while travelling or working in another jurisdiction; and
- (2) to implement a national medical human resources recruitment and retention strategy in order to establish a more universal health care system in Canada.

I give notice of the following motion:

THAT this House urges the Yukon government to explore options other than implementing user-pay charges for the out-of-territory medical travel program and chronic disease and disability program in order to prevent deterrence of the use of the programs, thereby increasing medical and social costs in the long run.

Speaker: Are there any further notices of motion?
Is there a ministerial statement?

This then brings us to Question Period.

QUESTION PERIOD

Question re: Asset-backed commercial paper investments

Mr. Mitchell: I once again have to raise the issue of this government's foray into the asset-backed commercial paper investment market, which yesterday suffered yet another setback. Again the deadline for restructuring has been put off. The facts are very clear: the Finance minister did not follow the *Financial Administration Act*. It is the responsibility of the minister to ensure that, but he did not do that.

As a result, we have \$36.5 million invested somewhere. No one really knows for sure quite where. He has already writ-

ten off over \$6 million, and that was before the current economic meltdown.

The Premier gave his assurance he would have everything in place by November 30. Once again, the November 30 deadline is off. The problem is innate to this government. It cannot manage anything with money attached to it. What does the Finance minister propose to do regarding this latest setback in re-starting the frozen investments?

Hon. Mr. Fentie: Well, unfortunately, an administrative delay, given the complexity of the restructuring — I might add, court-sanctioned restructuring plan — is something that's going to have to be dealt with. So, we'll do exactly as all other governments involved and all other investors involved — and that is work with all parties to ensure the restructuring accomplishes what it intended at full maturity — a return to the investors. And that includes governments like Quebec, Alberta, the Ontario teachers' plan, and indeed the Crown corporation investing public sector pension plan money into this restructuring. They all have the very same expectation, and indeed we're pleased that the court has sanctioned the restructuring plan. It's now just a matter of concluding the complex details.

Mr. Mitchell: That's hardly the answer Yukoners want to hear — that everyone else is caught up in it too. It's just this kind of thinking that landed this minister in violation of the *Financial Administration Act* in the first place. Mr. Colin Kilgour, a Toronto financial consultant who has been advising ABCP investors on the restructuring said, "The worst possible outcome is that they're trying to renegotiate something, and that would be very difficult to accomplish."

Given what has been happening with Deutsche Bank, Citibank, Merrill Lynch, Bank of America, there's little wonder that Mr. Kilgore sees that possibility. Will the Finance minister now confirm that if he had followed the *Financial Administration Act* then Yukoners would not have to worry about their \$36.5 million?

Hon. Mr. Fentie: Well, actually, Mr. Speaker, that's exactly what the government has done. In following the *Financial Administration Act*, we've ensured that those employees involved in investment have a much clearer set of tools at their disposal, by policy, so that this kind of thing cannot happen again. I keep pointing out to the member opposite that in fairness to those officials, as the Auditor General has said, they worked in good faith for years making these investments, unknowingly, and that is what this government has accomplished in a change of policy. We have ensured that the investment policy is much clearer on behalf of the employees. But the member can't lose sight of the fact that past governments, all along, have tabled, as we have tabled, at each and every year-end, full disclosure of the investments. The Auditor General has reviewed those investments year in and year out. Unfortunately, when the banks reneged on their conditional guarantee of liquidity, it then became an issue for the Auditor General.

Mr. Mitchell: What I think that we just heard was the Finance minister describing that he locked the barn door now that the horses are gone — 36 million of them. Mr. Speaker, in an interview with Bloomberg on October 20 when the delay to November 30 was announced, committee chairman Purdy

Crawford said he would go to Africa and hide if the plan was not completed by the end of this month. Perhaps the Premier might care to join him.

I don't expect Mr. Crawford will actually do that, Mr. Speaker, as there is no law compelling him to do so. However, there is a law in Yukon that is binding on this minister and it is called the *Financial Administration Act*, section 39.1(c): "commercial paper issued by a company incorporated under the laws of Canada or a province, the securities of which are rated in the highest rating category by at least two recognized security rating institutions." That didn't happen, Mr. Speaker.

As the minister, he is in charge, he is responsible. Does the minister accept responsibility for not following the act and jeopardizing millions of taxpayer dollars? Don't blame the officials. To the minister: yes or no?

Hon. Mr. Fentie: I know the member is quite emotional these days considering the member's circumstances. I will say that I think the member is failing to recognize that the government did exactly that, and that is to provide a policy direction that is clear in terms of the investments that were being made for years. A total of \$1.7 billion has been invested in this area. But from here forward, Mr. Speaker, no longer can investments be made in this area because this government did take action to ensure that policies were clear and compatible and met the very intent of the law.

Question re: Forest Resources Act

Mr. McRobb: The dismissive manner in which the Yukon Party government has treated public consultation and First Nations with respect to the *Forest Resources Act* raises more serious questions. The First Nation from southeast Yukon where 70 percent of the merchantable timber is located has already stated this government has backed it into a corner and is forcing more court challenges.

Renewable resources councils are also dismayed at this government's incomplete consultations, which did not live up to the laws required by the *Umbrella Final Agreement*. We in the opposition have brought forward amendments to embed the requirements to ensure proper consultations on the bill to improve it for the future good of our territory. The minister has dismissed them just as he did with the important roles of councils and First Nations. My question: why should anybody trust the Yukon Party to follow the law with respect to consultation when it has already violated the consultation requirements set out in the UFA?

Hon. Mr. Cathers: Again, the Member for Kluane is not accurately representing the facts. Clause 4 of the bill states very clearly that the *Umbrella Final Agreement* prevails over the *Forest Resources Act*. That includes the obligation to consult with renewable resources councils on matters that are within their jurisdiction, as spelled out in chapter 17.

We have also followed the obligation in developing the act to work with renewable resources councils, and I have, in past days, read in examples of meetings held at the various stages of consultation that occurred — the fact that, in October 2005, the first meeting occurred between department officials and renewable resources councils to discuss this act, the fact that consultation again occurred on the policies of the legislation in the

spring of this year, and the fact that renewable resources councils were provided with an opportunity in the summer of this year to review the draft bill at all stages that were required by legislation, including those two stages I referred to in this calendar year.

A letter was sent to the RRCs informing them of the consultation obligations and that the consultation was occurring pursuant to those sections. That is with regard to the formal consultation. And, as I've mentioned, that is certainly not an exhaustive list of all the good work done by officials in Energy, Mines and Resources over the past five years.

Mr. McRobb: The requirement to consult the RRCs is clearly stipulated in chapter 17 of the UFA; that's law. RRCs have stated that law was not honoured. Did the minister not read the letter from the Laberge RRC? Perhaps the minister was out for another walk in the woods instead of consulting with the RRC in his own riding. It's becoming clear this is another portfolio he can't handle.

For the sake of our territory we need to avoid another mess like his bungled hospital project in Watson Lake. Let's revisit the minister's reason to not embed this requirement in the act. He stated repeatedly that it isn't done in any other legislation in the Yukon. Well, Mr. Speaker, guess what? The minister must be unaware that part 13 of the *Wildlife Act* has embedded sections from a final agreement.

Will the minister do the right thing and commit to reconsider his decision to reject our amendments to improve the bill by embedding parts of the *Umbrella Final Agreement*?

Hon. Mr. Cathers: What this government has done is respected the good work that has been done by officials, by the successor resource legislation working group which involves First Nation representation, and we have respected the comments that have come from many RRCs, respected the comments from industry, from conservation groups and from the general public. The member is not accurately representing the facts, and I have given the member ample opportunity, ample information that he should by now be aware of the fact that he is not accurately representing the facts.

I point out again: section 4 of the legislation states very clearly that the *Umbrella Final Agreement* prevails. The member's characterization about my comments was not accurate. I did point out to the member, and I will point out again: we do not reiterate in every single piece of legislation, the entire text of the *Umbrella Final Agreement* or any chapter. That statement, that clause, is enough to make it clear the UFA prevails. This is as advised by the good work of officials in Energy, Mines and Resources and the Department of Justice. I have faith in their good work; it is unfortunate the member and his leader do not.

Mr. McRobb: Well, nobody's blaming officials. And this requirement is in the UFA. Mr. Speaker, other jurisdictions are more open-minded toward developing progressive legislation that avoids unnecessary legal disputes. British Columbia is currently making changes to its forestry legislation through Bill No. 8, the *Forests and Range Statutes Amendment Act, 2008*. The amendments are required to correct the *Forest Act* and the

Forest and Range Practices Act to bring them into line with the constitutional law respecting aboriginal rights and title.

Does the minister intend to consider the concerns of First Nations, renewable resources councils and others to get this act right? Or is he satisfied to leave Yukon taxpayers on the hook for millions of dollars in litigation costs to fight battles that the B.C. government has already recognized can't be won? Will the government now take a conciliatory approach with First Nations or will they goad them into wars in court, and wars in the woods?

Hon. Mr. Cathers: Mr. Speaker, the language used by the Member for Kluane is inflammatory at best. It certainly does not reflect the facts. It is very dismissive of the good work that officials have done in Energy, Mines and Resources over the past five years, specifically on this legislation, and the discussions that have been going on about policies and legislation related to the forests for over a decade. The member is dismissive of the successor resource legislation working group, including the First Nation members and he is dismissive of renewable resources councils that have not expressed concerns. Again, as I pointed out, it is not possible in bringing together such a diverse range of opinions on this legislation to give any one council or other level of government or group the ability to draft every clause exactly as they would like it. We have honoured our obligations. We have reflected the perspectives of all. We appreciate the good work officials have done.

I remind the member that the Official Opposition couldn't even manage to write an amendment to this bill at the start of debate that was in order. We will not take their wording because it is hastily and sloppily drafted and is unnecessary, and the members know it.

We have faith in the good work of the lawyers in the Department of Justice. Perhaps the members do not have faith in them; we do.

Question re: Marsh Lake land use planning

Mr. Cardiff: A review of LARC minutes and YESAA land applications reveals some interesting things. In opposing a spot land application back in 2006, the Marsh Lake Local Advisory Council wrote, "Our major concern is that the series of land dispositions, all of which proceed independently under a plethora of programs, are effectively eliminating the possibility of logical planning." The LAC then requested the Yukon government to carefully consider the cumulative effects of many years of spot land applications and ad hoc plan dispositions in the Marsh Lake area. The LAC argued that each of these dispositions increasingly limits the ability of the community to designate what uses are appropriate for which areas and to plan for logical and fair means of providing for the community's future growth.

Why has the minister continued to allow ad hoc land development in Marsh Lake and ignored requests for planned development?

Hon. Mr. Lang: We are working on it. The Carcross-Tagish First Nation is now at the table. We've committed to work with the two First Nations and the public government to get that resolved.

Mr. Cardiff: Maybe the people out at Marsh Lake would like to know about this — the LAC and the residents — because there was an application that was opposed just recently. In opposing a spot land application in the M'Clintock area of Marsh Lake, the Kwanlin Dun First Nation wrote, "Kwanlin Dun First Nation opposes this and any further development proposals until a local area land use plan can be completed." Kwanlin Dun First Nation was worried about the ecological integrity and the biodiversity of the area and wanted to stop the continuing encroachment on the core winter range of the Southern Lakes caribou herd.

The Department of Environment also has increasing concerns about spot land applications, if you look on the YESAA Web site. Can the minister explain why they've been silent to date on ad hoc land dispositions in Marsh Lake and have not listened to the community or Kwanlin Dun and initiated a land use planning process?

Hon. Mr. Lang: Again, in repeating what I just said to the member opposite, that's why this process is going forward.

There were some issues with Carcross-Tagish First Nation because of capacity. They now feel comfortable with the process and have committed to come on board, and we look forward to a local area plan coming out of those meetings.

Mr. Cardiff: We have been around this question before in the community of Mount Lorne, and there are other communities in Yukon as well. Land use planning provides for a logical management of a community's growth. It provides for people to contribute their thoughts on how a community should develop, which areas should be preserved for their environmental values, where light industrial or commercial areas should go. For over 15 years people in Marsh Lake have been asking for land use planning. For over 15 years, spot land applications, agricultural leases and other ad hoc land applications have left their mark on this community. Fifteen years is too long a time to wait, Mr. Speaker.

Now the minister says that process has begun. So I will ask him: when will the minister commit to sitting down with the residents of Marsh Lake as well and start this process — let them know when the process is starting, because they have come to me to ask about this issue.

Hon. Mr. Lang: Fifteen years — nothing? For 15 years there has been no local area plan in that area. At the moment, we've got all the governments going to go to work on that area plan. We are committed to do it, and that is just what we'll do.

Question re: Legislative Assembly decorum

Mr. Hardy: Over the years I have heard so many members say we need to improve the decorum in the Legislative Assembly. But, Mr. Speaker, after listening to the debate and the exchanges yesterday, I really have to wonder what is happening here. Words are cheap. From yesterday and much of the debate I've been hearing lately, I'm quite embarrassed by it. I think we've actually set a new record on the insults that were traded between the two sides yesterday, Mr. Speaker. I have heard some members in this Assembly, just like today, talk about raising the bar. I heard it on the radio the other day from

the Premier. I couldn't agree more, but the only way we are going to do that and put an end to the silly games and insults and bullying that we see in here is to radically change the way we conduct the public's business. So my question is, Mr. Speaker, will the Premier admit that we need to raise the bar in the Legislative Assembly?

Hon. Mr. Fentie: Yes, Mr. Speaker, I thank the Leader of the Third Party for once again demonstrating a level of constructiveness that this Assembly far too often does not experience. I couldn't concur more. In fact, I as Premier have on many occasions made that very statement, and as recently as last Friday on CHON FM — that the bar in the Legislature surrounding the debate must be raised, and we are all responsible to do that. It serves no purpose to just hear seconds ago, the off-microphone comments of the Leader of the Official Opposition. There is one individual in this Legislative Assembly who has to rethink that commitment and dedication to the debate.

Mr. Hardy: I have been an MLA for 10 years, Mr. Speaker, and I look around this Chamber and I see some members left from the class of '96. I think there are four of us in here. I believe that they must also feel frustrated and disappointed at times to see how little has changed all these years in here. I want to quote Rex Murphy from a document I just tabled for the people here. It says we "... are all vain, as the preacher has put it, but politicians are vanity intoxicated by ambition: for one to rise, another must be torn down, raked over, dissected and discarded."

We're not serving Yukoners well at all when we waste so much of our time by attacking each other, ridiculing each other and bickering with each other.

Will the Premier — I put this out — support the initiative of my party, the NDP, for legislative renewal that we brought forward before?

Hon. Mr. Fentie: As far as legislative renewal, that's something this government actually demonstrated leadership in some time ago. I'm a little nervous about the dissecting issue the member brought forward, although I do from time to time watch Rex Murphy's opinion and views and they are indeed very colourful — and I hope he stays on.

I want to point out to the Leader of the Third Party that we should not lose sight — regardless of what may be happening at any given time in this Assembly during debate — of all the measures and initiatives that this Assembly has proceeded with jointly. I just want to list some of them: substance abuse action, safer community and neighbourhoods legislation, the ban on smoking and the increased taxation on tobacco and cigarettes, the human rights process we just concluded, the many motions that we have unanimously supported to advance initiatives on behalf of the Yukon public — we should never lose sight of that.

The unfortunate part is that in our Assembly there is a level of debate that is certainly of no value to the democratic process. I have admitted that and have stated categorically that we are all responsible.

Mr. Hardy: The Premier has listed some beacons of light that we have managed to come together to bring about in

the Legislative Assembly, and that is great, but those beacons of light shouldn't just be beacons. This is the way the Assembly should act. We should have taken those actions that were listed and built a new Assembly on how we conduct ourselves in here.

The debate over the last few days among members has not been productive. That seems to be the norm, unfortunately, and we need to make change. We have the power to change things in this Legislative Assembly. We are unique in the country, from my perspective, in that we are small enough and close enough to each other that we can work together.

Will the Premier at least support our motion to strike a select committee of the Legislative Assembly to conduct a thorough public review of the legislation, rules and practices that apply to this Chamber and members?

Hon. Mr. Fentie: Let me, just for a moment, reflect on what the member has said, in terms of the bright light he spoke of. Frankly, in the last six years, the motions that we have unanimously proceeded with here in this Assembly are in record numbers, along with the other measures, such as bills brought forward — private members' bills — and many other instances where we have done the job according to our obligations and responsibilities.

Now, the member is talking about changing the structure. I would point out to the member that there are already Standing Orders that govern the debate in this Assembly, and if we all reflected on those Standing Orders and dedicated ourselves to meeting our obligations and responsibilities in decorum, we wouldn't even be having this discussion today.

So it's up to the individuals first, regardless of how you restructure or how you structure anything. Individuals on both sides of this House have to be prepared to meet those obligations. So it stands before us all: the Leader of the Official Opposition, his colleagues, the third party, the government side. We have the rules already; it comes down to our dedication and commitment.

Question re: Flag disrepair

Mr. Inverarity: Around the territory, a lot of flags at schools and government buildings are in a state of disrepair. This issue deserves more respect than the Minister of Economic Development has demonstrated recently.

On behalf of all Yukoners, I am embarrassed by this minister's remarks that our flags don't matter or have less value. This minister has just got back from China, and I'm sure the flags he took with him on the trip are in better condition than the tattered flags on many Yukon government flagpoles. Will the Minister of Economic Development apologize to all Yukoners for his thoughtless words?

Hon. Mr. Kenyon: What I will apologize for is the complete misrepresentation from the Member for Porter Creek South. My comments yesterday were that I agreed with him on his comments, but how appropriate were they to be the primary concern in the debate on the budget, about which he, on one hand, has said, "We don't have the time to debate it," and "it's very urgent," and on the other hand said, "We've got lots of time to debate other things."

Flags are important; I agree with him. But in debating the economy, and in debating the budget, I do wish the Member for Porter Creek South would focus.

Mr. Inverarity: Mr. Speaker, our flag is a symbol of who we are. Our flag commands respect from all over the world and deserves more respect than this minister can give.

On behalf of all those who have defended our flag, I'm very upset with this minister that this minister would debase our very symbol that Yukoners have died to uphold. I challenge the minister —

Some Hon. Member: (Inaudible)

Speaker: Yes. Order. Order. Sit down please. Minister, please, on a point of order.

Point of order

Speaker: On a point of order.

Hon. Mr. Kenyon: A claim from the member opposite of defacing our national flag is completely out of order in this House — as a symbol of this country, as a symbol of our very government. Our Standing Orders ban making such comments. They are out of order and inappropriate.

Speaker's ruling

Speaker: I would suggest, members, that there was probably a bouquet of Standing Orders that have just been broken by that statement. Honourable member, you know well enough not to do that. You have the floor, please.

Mr. Inverarity: Will the minister do the right thing? Will this minister apologize to all those who have defended our flag and for his thoughtless insults?

Hon. Mr. Kenyon: Again I won't even get into the point of order of thoughtless insults and comments on that. I do however refer the member to 19(j), I believe it is, but we'll let that one go because I believe there is a bouquet of insults.

What I said in this House is again totally misrepresented by this member. I agreed with him about the flags. The appropriateness of that being his primary interest in a budgetary debate, a budget that will approach a billion dollars — that this is the primary interest of the member opposite, whose best idea for economic development in the past few years is to produce a program to help people sell on eBay. That's the Member for Porter Creek South's idea of economic development, and I do hope he's quite willing to step back from that position.

Speaker's statement

Speaker: Order please. While this place is neither a church nor a classroom, it demands a level of decorum expected in a parliamentary chamber. A minimum level of respect and regard is required for the work that we have been elected to carry out. The member speaking and all members are obligated to carry out that endeavour, not just the Chair. When members start complaining about one side or the other, then you want my interjection. Members, you must contain yourselves.

Member for Member for Porter Creek South has a final supplementary.

Some Hon. Member: (Inaudible)

Speaker: No. Time for Question Period has elapsed. We'll proceed to Orders of the Day.

Some Hon. Member: (Inaudible)

Speaker: We're done.

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 57: Second Reading

Clerk: Second reading, Bill No. 57, standing in the name of the Hon. Mr. Lang.

Hon. Mr. Lang: I move that Bill No. 57, entitled *Act to Amend the Miners Lien Act*, be now read a second time.

Speaker: It has been moved by the Minister of Community Services that Bill No. 57, entitled *Act to Amend the Miners Lien Act*, be now read a second time.

Hon. Mr. Lang: Thank you again, Mr. Speaker.

It is my pleasure to introduce Bill No. 57, *Act to Amend the Miners Lien Act*, for the Legislature's consideration. Yukon's very active mineral exploration and development economy is highlighting the need for changes in this legislation, which was first adopted into law in the year 1902 and last amended a half-century ago. The purpose of this amendment to the *Miners Lien Act* legislation is threefold: One, by modernizing the *Miners Lien Act*, which was first introduced in 1902 and amended in 1958, the Yukon government will continue to encourage investment in Yukon's mining sector; two, changes to the miners lien legislation will make the act easier to interpret and more in line with the newer legislation in other Canadian jurisdictions; three, these changes will assist mining companies, legal and financial firms, developers, contractors and suppliers that service the mining sector. Potential lien claimants, some of whom may be small Yukon businesses, should not need sophisticated legal aid to understand their rights.

These proposed amendments are the result of collaborative efforts of the Department of Energy, Mines and Resources and Community Services as well as the Department of Justice.

The amendments proposed to the *Miners Lien Act* in this bill will provide several practical improvements to the act that reflect the wishes of Yukoners, as expressed through consultation with the public and stakeholders, completed in the summer of 2008. The focus consultation considered and recommended some key changes to the legislation based on a list of issues that had been identified at the start of the consultation process.

As you are aware, the public consultation process involved the posting of comment papers on the Yukon government Web site and public awareness advertising in local newspapers. In addition, the consultation process involved a series of focus group meetings with representatives from the Yukon Chamber of Mines, Whitehorse and Yukon Chambers of Commerce, a representative from the Yukon Contractors Association, some mines and the Canadian Bar Association. While the public provided minimum feedback during the consultation on the proposed changes to the act, the focus group meetings provided the opportunity for the Yukon government to hear from busi-

ness stakeholders and to build an effective amendment package.

Those recommendations from the consultation process are reflected in some of the key amendments to this act. The review included the definition of specific words contained in the act — for example, we have updated the definition of the words “mine” and “mineral claim” and included new definitions for the words “contractor” and “subcontractor.”

These improved definitions in the updated act will provide greater clarity. The retooled definitions also better reflect the legislative framework currently in place in several other jurisdictions in Canada. The parameters of what is the “lien able” are better defined so that all parties will have a clearer understanding and similar interpretation of the intent of the legislation.

The lien priority has been clearly defined to 60 days payable. The lien holder now has the opportunity to register his or her lien 45 days after the last day of work. Overall, the consultation process has resulted in the government providing a set of amendments that makes the *Miners Lien Act* current with other mining jurisdictions in Canada. The change also provides necessary clarity to encourage investment in the territory.

Along with much-needed changes, we were also able to retain some of the key characteristics of the act, such as clauses guaranteeing the priority of lien holders. We heard during the consultation process that some of the original elements of the act are important to Yukoners, so these remain unchanged. The increase in interest in mining exploration and mine development in recent years had made the update of this act a priority.

As many of the developing mines will require debt financing, it is important to ensure that lenders and others can quantify their risks through the amendments to this act while at the same time ensuring suppliers of goods and services clearly understand the extent of the protection provided. It is the commitment of this government to keep Yukon competitive and attractive for the mineral investment by amending outdated legislation and providing a more attractive investment climate. The amendment process was also government’s response to requests from industry and the business community to modernize the act. It should also be mentioned that following the passage of these amendments the responsible departments will begin to work with the business community to ensure business operators are aware of and understand the changes that have occurred.

I am pleased to present the *Miners Lien Act* amendments. I encourage my fellow members to support this legislation. Thank you, Mr. Speaker.

Mr. McRobb: Well, I have already stated on record that the Official Opposition will be supporting the amendments to the *Miners Lien Act*. We heard first-hand early this year when members of our caucus attended the Mineral Exploration Round Up in Vancouver — it took place at the end of January and early February — and we talked to many people associated within the mining industry and we met with several companies outside of the venues’ hours and we too heard concerns about the debt-financing issue with respect to the encumbrances of

the *Miners Lien Act*. Following our discussions with people in the industry we put out a news release calling on the government to make the necessary changes to this piece of legislation. I am glad to say, all too infrequently it seems, that the government has followed up on our suggestion to improve the act. I will pass on our congratulations to the government for doing that.

Mr. Speaker, we know that debt financing has returned as a major impediment to mining around the world. With the recent meltdown in financial markets and the drying up of liquidity, it is very difficult for mining companies to access capital on the open market, expand existing operations, develop new properties, and so on. Hopefully, this small but important change to the *Miners Lien Act* will make it better for such companies to invest in our territory in order to help stimulate the mining industry’s presence here.

I’ll keep it short, Mr. Speaker. Again, we are in support of this bill, and we thank the members for bringing it forward.

Mr. Cardiff: It gives me pleasure to rise today to speak to Bill No. 57, *Act to Amend the Miners Lien Act*. I’d like to thank the officials for the information they provided at the briefing and the thoroughness with which they covered this issue.

I understand the purpose of the changes to the *Miners Lien Act*, and I understand the reasons why the government is doing it. I understand that there are changes to some of the time frames in which there are protections given to those filing a lien, and the time frames in which someone with a claim can file a lien against a company that failed to pay their obligations — and those are all good things.

One of the things that the minister didn’t mention, and I understand this too, but in light of the reasons why this came forward — the Member for Kluane suggested they encouraged the government to do this, and that could be quite right and I applaud them for doing that. I think that overall this is probably a good piece of legislation, but in light of some of the other legislation that has come forward, if you look at what this piece of legislation is really about, it’s about mining companies that require debt financing, and it’s about providing protection for the local businesses here in the Yukon that do business with those mining companies.

We’ve seen in the past local businesses and workers not being paid because they were too far down on the list and didn’t have appropriate protection. This also goes a little bit further and provides protection for lenders. Do we want to see more mining in the Yukon? Do we want to see increased investment in mining? Yes, we do. What we’re witnessing around the world right now is an unprecedented bailout of financial institutions and banks. This is just another piece of providing more protection for those financial institutions.

I can understand they want to be assured their investments are secured and that if bills aren’t paid, their investments will be secure. I can understand it and I can understand why it’s a priority of this government, but there are a lot of other things this government needs to do on the social side — things like

providing funds for youth shelters so young people have a safe place and warm place to spend the winter.

There are things like investing money in receiving homes, looking after young workers — ensuring they're protected in the workplace. There are a lot of other pieces of legislation and a lot of other initiatives that the government needs to focus on as well. So while I can support this — and I understand what it's about — I would encourage the government to be as diligent on other fronts as well. Providing protection for our local businesses and for our local workers is something that I can definitely support. We don't want to see mining companies fail; we want to see good, environmentally sound, sustainable mining practices.

I was reading the words of the Grand Chief the other day in his address to the Geoscience Forum. It was clear to me the Council of Yukon First Nations and First Nations support sustainable mining, but it's a non-renewable resource.

First Nations want to play a role in the mining industry, but they want to see something that's sustainable. I think that's something banks and lending institutions would be well advised to look toward as well. They should ensure their investment is safe and, when we're doing business with mining companies, that they are doing what's right and are practising environmentally sound mining practices and that it's sustainable in our communities, both socially and environmentally, that the land, air and water are protected and that our communities are protected, and that it is economically viable and sound, so we don't end up in the situations we've seen in the past, where Yukoners have been paid — in some instances they haven't been paid and, in other instances, they've been paid a fraction of what they were owed by mining companies.

So I can support this legislation, but with the proviso that I think we need to take into consideration some of the other issues here in the Yukon — to look after our youth, to look after our seniors, to look after the less fortunate, as well, especially when we're looking out for the big offshore banks that are providing much of this start-up capital and debt financing to mining companies.

So I look forward to the minister's response and to debate in Committee of the Whole.

Hon. Mr. Cathers: I will be fairly brief in discussing this legislation. Most of the points have already been covered by my colleague, the Minister of Community Services, who, of course, is the minister who tabled the bill.

This piece of legislation is an important one. It is modernizing legislation that has been in its current form — it was originally adopted into law in 1902 and last amended in 1958. So, again, there is a need for this legislation to be updated to reflect modern terms.

When there is lack of clarity, it leads to uncertainty for all. It leads to uncertainty on the part of mining companies, legal and financial firms, developers, contractors and suppliers that service the mining sector. It is important for all of those to clarify what the rules are, to modernize the terms and to change the lien ability in these areas to reflect more modern practices.

The development of this legislation followed it being identified by the mining industry and the Yukon Minerals Advisory Board in their 2006-07 report. We are pleased to respond to the issues that they have identified and the points raised by the industry. Both miners and contractors identified these issues. There were, of course, issues that needed to be addressed. That is the reason why we have brought forward this legislation.

The changes will make the act easier to interpret, more in line with newer legislation of other Canadian jurisdictions and the legislation — when I refer to providing clarity — is about benefiting not just the corporations that are running the mines or the banks that are financing them, but a significant part of this legislation is about giving small Yukon contractors the ability to place a lien on a company if they are not being paid for their services.

They have clarified timelines and will make it certain for those who are considering whether to invest in a company, giving them some clarity around how many months of possible liens might be out there. So the timelines have been changed and shortened to reflect that, while still being a piece of legislation, in terms of giving priority particularly to small contractors, on which the Yukon is at the forefront in national legislation in providing these abilities and reflecting the needs of Yukon companies and the small operators.

As well, if we're dealing with legislation that has lack of clarity in what the legal provisions mean, as the unamended act currently has, typically in a court case those with the deepest pockets have an advantage over the smaller companies who are dependent on a contract and have not received a value for those services. So this is very good for all in the Yukon mining sector. It is about providing that legal clarity and providing that update.

It is also reflecting modern practices such as that when the legislation was originally developed, the very structure by which ownership occurred was different in mines. Typically, at that point in time, the movable equipment such as bulldozers and hoes — other machinery would typically be owned by the mining company and be their primary asset; whereas, in modern reality, often those movable assets will be owned by the manufacturer and leased to the mining company, or in the case of companies such as the Yukon's operating mine at Minto, contracted from another firm. So it's appropriate to clarify in the legislation that such assets are not subject to any lack of clarity in this, nor are — if the dispute is with the mining company itself — assets owned by any other company subject to or in any way in question when it comes to liens being placed, filed and subsequently determined in court.

Good work has been done in this legislation by officials within the Department of Community Services and within the Department of Energy, Mines and Resources, as well as, of course, the legal drafters. We also appreciate the work that the Yukon Minerals Advisory Board put into developing this as one of their top five priorities in their 2006-07 report to the government.

We appreciate the time those who sit on the Yukon Minerals Advisory Board provide for giving their advice on issues relevant to the mining sector and point out, particularly since at

least one newspaper story reflected a very different version of the facts than is true, that those who serve on the Yukon Minerals Advisory Board do so entirely at their own expense. They are not compensated for that. They do so in a volunteer capacity and provide advice on issues that are relevant to their interests, but often they have shared experiences they have learned and may not be relevant to their project any longer but can be helpful to others within the sector and for the benefit of the industry as a whole and the benefit of the Yukon Territory. That advice, that experience, that expertise is appreciated and we do appreciate the volunteer time those people spend in that role.

I'd like to express appreciation to all those who provided their input during the consultation phase for taking their time to provide the Yukon government with their perspective on developing the changes to this legislation.

With that, I look forward to any other comments members may have and look forward to hopefully proceeding into Committee of the Whole in short order and moving forward with this legislation.

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

Hon. Mr. Lang: In closing, I'd like to thank the members opposite — both the Official Opposition and the third party — for their support of this bill. This bill has been a lot of work by the government and, of course, it included the departments of Energy, Mines and Resources, Community Services, and Justice had to be part of it.

I'd like to thank all of the individuals in the departments. This was a very concentrated and focused group that came together to bring this bill in front of us today. I look forward to the debate here in Committee of the Whole.

With that, I'd like to say thank you to the departments that went to work, all of the individuals — whether it was corporate or the general public — all of the people who provided input into this bill. We'd like to thank all of them and look forward to the debate this afternoon in Committee of the Whole.

Motion for second reading of Bill No. 57 agreed to

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair: Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 57, *Miners Lien Act*. Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 57 — Act to Amend the Miners Lien Act

Chair: The matter before the Committee is Bill No. 57, *Act to Amend the Miners Lien Act*.

Hon. Mr. Lang: I rise here today at the start of Committee of the Whole for Bill No. 57, *Act to Amend the Miners Lien Act*, and I look forward to the debate this afternoon.

Thank you, Mr. Chair.

Mr. McRobb: Mr. Chair, I'm not sure how much of a debate is really warranted. All the parties have spoken in favour of this bill. Given that there are a number of other items on the Order Paper that should be tended to, I request unanimous consent to deem all clauses and the title of Bill No. 57 read and carried.

Chair: Before a member can request unanimous consent we have to conclude general debate. So we will now proceed with general debate.

Is there any further general debate on this bill?

Hon. Mr. Cathers: Mr. Chair, I think that perhaps we should look to the third party and see if they are interested in raising their voices at this point in time with any questions, and perhaps give them a moment or two to prepare themselves for asking any questions they may have in that regard.

Chair: Is there any further debate?

Seeing none, we'll proceed clause by clause on Bill No. 57.

Unanimous consent re deeming all clauses and title of Bill No. 57 read and agreed to

Mr. McRobb: I would request the unanimous consent of the Committee to deem all clauses and the title of Bill No. 57, *Act to Amend the Miners Lien Act*, read and agreed to.

Chair: Mr. McRobb has requested unanimous consent of the Committee to deem all clauses and the title of Bill No. 57, *Act to Amend the Miners Lien Act*, read and agreed to. Are you agreed?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

Clauses 1 to 14 deemed read and agreed to

On Title

Title agreed to

Hon. Mr. Cathers: Mr. Chair, I move that Bill No. 57, entitled *Act to Amend the Miners Lien Act*, be reported without amendment.

Chair: It has been moved Mr. Cathers that Bill No. 57, entitled *Act to Amend the Miners Lien Act*, be reported without amendment.

Motion agreed to

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

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

Motion agreed to

Speaker resumes the Chair

Speaker: I now call the House to order.

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

Chair's report

Mr. Nordick: Committee of the Whole has considered Bill No. 57, *Act to Amend the Miners Lien Act*, and directed me to report it without amendment.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Hon. Mr. Cathers: Mr. Speaker, I request the unanimous consent of the House to call Bill No. 57, *Act to Amend the Miners Lien Act*, for third reading at this time.

GOVERNMENT BILLS

Unanimous consent re calling Bill No. 57, *Act to Amend the Miners Lien Act*, for third reading

Speaker: Is there unanimous consent?

All Hon. Members: Agreed.

Speaker: Unanimous consent has been granted.

Bill No. 57: Third Reading

Clerk: Third reading, Bill No. 57, *Act to Amend the Miners Lien Act*, standing in the name of Hon. Mr. Lang.

Hon. Mr. Lang: I move that Bill No. 57, *Act to Amend the Miners Act*, be now read a third time and do pass.

Speaker: It has been moved by the Minister of Community Services that Bill No. 57, *Act to Amend the Miners Lien Act*, be now read a third time and do pass.

Hon. Mr. Lang: Mr. Speaker, in closing, I'd like to again thank the opposition and the third party for their contributions this afternoon.

Mr. Speaker, I would like to mention the Member for Klondike for giving up his Wednesday, motion day, to get this very important act behind us.

Thank you, Mr. Speaker.

Mr. McRobb: I will be very brief. My comments were made in second reading earlier today and I apologize, I was remiss in not mentioning the fine work of the Yukon Minerals Advisory Board and their recommendations and input to this act, and the officials within the department for bringing this forward and providing a briefing for us on this bill.

Mr. Cardiff: Mr. Speaker, I too will brief. All of the comments I needed to make, I believe, were made in second

reading. Once again I would like to thank the government employees from the minister's department who provided the briefing and the explanation. I thank the Members of the Legislative Assembly for moving this through expeditiously. I look forward to getting on to debating the budget.

Motion for third reading of Bill No. 57 agreed to

Speaker: I declare that Bill No 57 has passed this House.

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

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

Motion agreed to

Speaker leaves the Chair

Chair: Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 12, *Second Appropriation Act, 2008-09*.

Do members wish to take a five-minute recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 12 — *Second Appropriation Act, 2008-09*

Chair: The matter before the Committee is Bill No. 12, *Second Appropriation Act, 2008-09*.

Hon. Mr. Fentie: Mr. Chair, I am pleased to introduce to Committee of the Whole, Bill No. 12, *Second Appropriation Act, 2008-09*. As I detailed in the second reading speech, the supplementary budget for 2008-09 continues to reflect our strong fiscal management practices while providing significant investment in many key areas of interest to Yukoners. By means of the supplementary estimates, we are asking approval to spend an additional \$21.2 million in operation and maintenance and \$33.4 million in capital for a total of just under \$54.7 million.

These expenditures reflect significant investments in the Yukon on behalf of the Yukon public. Offsetting these expenditure changes are changes to our income. Revenues and recoveries in total are estimated to increase by \$26.6 million to a total of \$900.6 million. The result of all these requested and expected changes is that the year-end annual surplus is now forecast to be just over \$4 million.

While I'm pleased to be tabling a supplementary budget that reflects a projected annual surplus, it is also important to view the government's financial picture in terms of other indicators. For example, accumulated surplus and net financial resources are also important indicators of our financial health. Our accumulated surplus at the end of this fiscal year is forecast to be over \$581 million and the projected net financial

resource position of government to the year-end is projected to be a very healthy \$142 million.

The Yukon — and I think this is something of great importance — is one of only two Canadian jurisdictions that have net financial resources as opposed to net debt. This is a very clear indicator of our financial health, as it means that we have more financial assets than liabilities and this government has cash in the bank.

Our government's commitment to prudent fiscal management has indeed resulted in a strong financial position for the Yukon government and, of course, the Yukon Territory. And in these difficult global economic times, this is significant. Annual surpluses, healthy net financial resources and cash in the bank in each of the past six years bode very well for the Yukon's fiscal future and our overall future.

By acting prudently over the past six years, we have avoided a situation where we are forced to take undisciplined measures during tougher times. By every indication, these tougher times are upon us, as economic conditions throughout the world are changing and great turbulence exists. All governments are now very dedicated, nationally and internationally, to manage our way through this situation.

However, this government, by virtue of our financial discipline over the last past six years, is indeed in a very unique position. Our strong fiscal position will allow our government to provide effective leadership for Yukoners. This strong fiscal position will provide our government flexibility as we continue to be responsive in making strategic expenditure decisions on behalf of all Yukon people.

By any measure, economic or financial, we have put the Yukon in the best possible position to deal with the uncertainty in the global marketplace of today. So, Mr. Chair, I assure you, the House and all Yukoners that our government remains committed to managing and directing the Yukon's government finances in a disciplined, responsible, strategic and prudent manner as we move forward in these times of economic uncertainty.

We will not waiver or deviate from this approach. The initiatives identified in this supplementary budget represent significant investment of the public's money on behalf of the Yukon and Yukoners.

I am confident these initiatives will continue to support the Yukon's economy during these very turbulent global times, and as I pointed out in my second reading speech, many of the initiatives in the budget related to our investments in infrastructure, public health and safety, capacity building and stimuli to our labour market are all very strategic in nature.

In the interest of time, I will not reiterate them to the Committee. When we are in line-by-line debate, we will, of course, cover these initiatives and others in much greater detail.

Of course our government is indeed proud of our fiscal position and the situation the Yukon is in today. I'm also very pleased with this supplementary budget and the financial position of our government. Ministers and departmental officials have worked very hard to ensure a balance of sound fiscal management and to ensure a prudent investment in the social and economic fabric of our great territory.

So at this point, Mr. Chair, I think there is little more that need be said about this supplementary budget. I am indeed confident we will get into its contents in great detail in the days ahead; I look forward to the discussion. However, if the members have any questions of a general nature, I would be very pleased to address them at this time. The debate today is one that should be constructive in nature, given the content of this supplementary budget.

Thank you.

Mr. Mitchell: Thank you, Mr. Chair, and I'll thank the Premier for his opening remarks. I want to thank the officials who are here today for their hard work in preparing this budget and all the other officials across government — particularly in the Department of Finance — but in all departments who work on the budget.

I will agree with the Premier on several of his statements, although not all. I'm sure he would be very disappointed if I agreed with all of them. First of all, we're not here to challenge the numbers but to question the meaning of the numbers or what things are being spent on. We obviously accept the numbers as presented, because we know the officials have worked very hard to present an accurate picture of Yukon's finances.

However, we will from time to time disagree with perhaps the emphasis or interpretation that the Premier puts on various numbers when he departs from the numbers and starts to describe what they mean to him.

For example, over the past few weeks as we've watched fairly incredible events happen across the world — financial events worldwide — as recently as September and October, the Premier was speaking in this House, on the radio and in the newspapers, saying this was just part of the normal economic cycle, just part of the regular cycle of ups and downs. It wasn't anything unique or special that was happening.

I think the Premier and I are pretty close to being the same age, and I don't know what his past experience is in observing world economic cycles, but I would tend to agree with the various experts, including the Prime Minister of Canada and the Finance minister, the President of the United States and the Treasury Secretary and the others who are describing this as being almost a once in a lifetime event — certainly once in a lifetime for those of us born after the 1930s.

These are unique times. In Question Period on November 24, on page 3470, I suggested that the "Finance minister take back his stale-dated budget supplement and table a new one, — one that actually offers hope in these difficult times. I did indicate that members of the Liberal caucus would support him in tabling a new budget, because it would require unanimous consent. We would provide that consent; we would do that to get some action going.

The minister, yesterday afternoon, was quite dramatic. He was full of flair when he described what I said in Question Period. He said that I wanted to "throw out" every good project that was in this budget, that we didn't want Hamilton Boulevard spending or anything else to occur. He knows full well that was not our intent. He knows that in Question Period we all, perhaps, take artistic licence in the prose we use.

He knows full well what the intent was, which was to say like other jurisdictions, perhaps he would like to take the time — events were changing very rapidly — and he may have well desired to table a new budget that had different spending.

I just want to say for the record that, no, we don't necessarily oppose every item in a budget. We are generally supportive of most of them. In response to remarks that have been made in Question Period and in general debate by the Minister of Energy, Mines and Resources, the Minister of Highways and Public Works, and the Premier characterizing all members on this side of the House as having opposed every single initiative, be it in Highways and Public Works or mining or health care because we voted against budgets, they should well know — certainly, the Premier knows because he has sat in opposition, not only in government. He knows full well that opposition members will vote against a budget, not necessarily because of what's in it, but because of what they feel is lacking within it.

That's fairly time-honoured. The minister knows that that is done federally, provincially and territorially. So we could dispense with that rhetoric in the future that we have voted against everything or were opposed to everything because we have voted against a budget — a main estimate or a supplementary budget — based on disappointment about what could have been done but wasn't.

Now to get to the budget at hand. When we look at this supplementary budget, it shows an increase — as the minister has pointed out — of \$26.65 million in revenues and an increase of \$54.68 million in expenditures.

This supplementary also shows that the 2008-09 revised vote includes a revised total of \$900,632,000 in total revenues — that's revenues from all sources: taxes, general revenue, third party recoveries, recoveries from Canada in transfers — and a revised vote of \$954,435,000 in expenditures.

I will point out for the Finance minister who already knows this: simple arithmetic shows that we are in fact this year projected to be spending \$53,803,000 more this year than we are bringing in in revenue. That's just very basic — it's right there on page S-1. We're spending the better part of \$54 million more than we are taking in.

I know the Premier will point out — and has pointed out — that we had healthy net financial resources. I know he's predicting in this estimate that there will be \$142,286,000 in net financial resources at year-end.

That total does include the \$36.5 million that's tied up or frozen for now in asset-backed commercial paper. Without arguing what the real value of that \$36.5-million investment currently is, I think we can agree that money is not available to the Yukon government to be spent on any projects, on O&M or anything else, today.

The minister will talk about how we're earning interest, we're promised interest, but we don't have the use of the principal today and, depending on this restructuring deal, perhaps for eight or nine more years and even then, we don't know what the value will be then — unless the Premier has a better crystal ball than anyone else.

So if we can set the issue of the current value of the \$36.5 million in frozen investments aside for a moment, we will have

a projected \$105.786 million in net financial resources that's actually available to us to spend at the end of the current fiscal year that we can actually get our hands on.

Of course much of that money is dedicated to specific areas. It is money such as the Building Canada fund money that we received from Ottawa and which has strings attached — it has to be used for particular purposes. This year, for example, we've received — according to this supplementary budget — a total of \$26.345 million in Building Canada funding. That must be spent on approved infrastructure projects, and the Premier has not yet identified what those planned projects are.

It's there as part of our net financial resources but we can't necessarily use it to pay for health care or to operate snow-clearing equipment on the highways; it has to be used for infrastructure.

So my question for the Premier is, how sustainable is the current spending trajectory of spending almost \$54 million more this year than we received from all sources, both from own-source revenue and from third party recoveries and from transfer and recoveries from Canada? I'll ask the Premier to listen carefully because I'm not saying that we should never spend more money in a given year than we take in — in fact, quite the opposite. This may well be a time, based on the global economic cycle, based on the projected downturn in mineral exploration spending in the coming year or years, based on the possibility of a downturn next year in our visitor numbers as there was this year, there are reasons why we spend the money. Clearly, to never spend it would be to simply grow a surplus without having the opportunity to put it to work.

I want the Premier to be clear: I'm not suggesting that there's anything wrong with spending more money than you're taking in.

What I am asking the Premier: how sustainable is the current spending trajectory? Can we do this again in 2009-10 or 2010-11? At what point will we have to cut back if we spend \$54 million a year more than is coming in?

I recognize that, because we are spending a fair portion on developing new capital assets and because we amortize those assets over many years, yes indeed there is a projected surplus at the end of the year and a projected \$4.429-million change in that because of the fact that we are making capital improvements. The question I am asking is — and the Premier will have to agree, because it is his budget where we are spending \$54 million or \$53.8 million more than we are taking in — how long into the future do he and his officials feel that it is sustainable?

Hon. Mr. Fentie: Mr. Chair, to be able to discuss this budget, we have to reflect on all the accounting elements that go into this. Of course, part of the \$54 million that the member speaks of as booked after all period 5 variances have been calculated and inputted, includes over \$40 million of revotes.

If you took it on face value of spending \$54 million more than you take in each and every year going forward, that would become a problem, but that's not the case the Yukon is in. The reason we can expend somewhat more than we are earning at this period — the member opposite has to consider the fact that these are projected figures for year-end. So too it was for the

year 2007-08. When we did the final accounting for that year, there were significant increases in all these factors.

So as projected, we are showing that we are expending — in terms of money and capital expenditures as booked, which are reflected in many instances over time — and then accounting for all other facets of tangible capital assets that give the Yukon its fiscal position and what is available to it for use, it shows us with a surplus of \$4 million plus at the year-end but also a net financial position of \$142.286 million.

That means that we have a range here of a net financial resource year-end position of well over \$140 million. So we're certainly in no danger whatsoever fiscally. In fact, quite the contrary — we are in a very healthy financial position.

The member keeps going on and on and on about \$36.5 million. The facts are that for years these investments were being made. In 1998 alone — I believe if you calculate how much was invested — it's over \$300 million. This money is not something that is affecting our fiscal position today. We have \$140 million plus available. That is an important factor in this budget and in budgets going forward.

Furthermore, the investments to date also include earnings — significant earnings. The member should also recognize that the revenue side for the government is continuing to grow. This supplementary and go-forward accounting will show that our own-source revenues are indeed growing, and that's a very good sign.

We make no excuse for the fact that we've negotiated what is a very good and important funding arrangement with Canada to meet this principle — that Yukoners receive comparable services based on comparable levels of taxation.

Now, the dispute here will be, in all likelihood, over the member's view and opinion of the budget and an accountant's view of the budget based on all accounting principles. Also, the member will disagree that what we have in our supplementary budget is contributing to the Yukon and its overall well-being. And that's an area on which we, the government, will not agree with the member opposite, who views this as something that is inadequate. We as a government think it's very inadequate. That's why we've tabled it.

So, all in all, I think the supplementary budget is very clear. It is investing in areas of great importance to Yukoners, which includes infrastructure, and there are significant dollar values in infrastructure. It includes public safety — an important facet to the Yukon public. Public health is another very important area — it's receiving significant investment — labour market and capacity building and investing in Yukoners in general.

All of this contributes to what is Yukon's very positive ability to manage our way through a global cycle.

The other point I am going to make is the member has misconstrued something. This government quickly demonstrated that it was acting on behalf of the Yukon in terms of the global turbulence and we have engaged with key stakeholders who are extremely positive about the approach we have taken. I have also said clearly that the Yukon has been in cycles before — no one disputes that this one is global and deep — but the Yukon has been in cycles before and never has had the ability

to manage our way through a cycle as we do today. Those are all positive aspects of the Yukon Territory's position and why we must reflect on that, as it should be, because without this position our discussion would certainly be much different.

Mr. Mitchell: Actually, I don't dispute anything by a chartered accountant. As the Premier referred to, I don't believe that he is a chartered accountant, so when I disagree with him, I'm certainly not disagreeing with a chartered accountant, nor am I one. Again, I didn't actually disagree at all. If he had listened to the first question, I recited a series of figures which were the same figures that he has been reciting, and I asked him a question about how sustainable this would be.

The Premier said that we would assert on this side — he was certain that our position was that the budget wouldn't contribute to Yukoners' health and well-being. Well, that's ridiculous; we make no such assertion. Of course, if we're spending \$954 million, we're going to make all kinds of contributions to Yukoners' health and well-being. That has never been the issue. For example, if we say that we'd like to see health spending toward a youth shelter for youth at risk, we're making a point about a particular area where we feel, since the minister says we've got \$142 million in net financial resources projected at year-end — we're not right on our uppers — then we say, well, maybe we should spend some of that money and look after the well-being of youth.

For the minister, the youthful Minister of Energy, Mines and Resources, it's an old term referring to the soles of your shoes being worn out, and just depending on what was left is what the reference means.

In any case, the Finance minister also made reference to some \$300 million — I don't have the exact number, but it was \$300 million and some odd — invested in 1998. I think he may have meant in ABCPs; he didn't actually say in ABCPs.

I can't speak to that in that I was not in this House in 1998, but he was and, in fact, he sat with the government at the time, admittedly on the back benches. I believe in 1998 he was sitting with an NDP government that was investing that money. So if he had any concerns about it then, I'm sure he would have brought those concerns up to the Premier of the day, his colleague when he was in the NDP, and express those concerns.

I can't really address them or speak to any responsibility for them, except for one thing: not in 1998 or 1996 or 2000 or 2002, not under a former Liberal government or a former NDP government, or even under the former Yukon Party government, headed by the late Premier Ostashek, did the Yukon government find they had \$36.5 million invested that were: (a) found at the time to be in contravention of the *Financial Administration Act* by a special audit by the Auditor General; and (b) that were frozen — never happened.

It happened under this Premier's watch. He keeps talking about how it's happening to other governments and it was invested by previous governments. He holds the one and only record — he's got first, second and third place for having his investments frozen. Since he's interested in facts, that's a fact.

To get back to the issue at hand, what I did say about the \$36.5-million investment is that since it's part of the net financial resources, we don't have the use of it at the end of this

year. The minister said the last time he was on his feet that we have \$142 million that we can spend on all these good things, but we don't because we can't spend the \$36.5 million. We can't spend it right now, we can't spend it next year and we can't spend it the year after.

The minister asserts that we will have interest payments coming just as soon as the restructuring agreement that was supposed to be done a year ago this month, then a year ago next month, then in February, then in April of last year, then for sure in October of this year, and then more recently — as I said earlier today — it was going to be done by the end of this month or Mr. Purdy Crawford, the famous Toronto lawyer who is in charge of restructuring, said that he would “go to Africa and hide” — I wish him well in his travels because it has just been announced that it is not going to be done. We don't have that money. I ask the Premier how long would we be able to sustain spending more money than is coming in?

The Premier speaks of revotes and lapses. I just want to point out to the Premier that if he is planning on having lapses then he needs to tell us how much he is planning each year to lapse. When we look at a main estimate as we did in the spring that had \$6.950 million that was planned to be spent for the multi-level care facility in Watson Lake, we took it at face value that the Premier was carefully — with his colleague, the then Minister of Health and Social Services — budgeting to spend close to another \$7 million on that project. Well lo and behold when we open up the budget now, we find that there is an adjustment of \$6 million that will not be spent and \$950,000 left in the Department of Health to be spent on that project. Earlier this year, they tabled a budget that we did accept on its face value saying that they were going to spend close to another \$7 million on that project.

When the Premier now says there will be lapses and revotes, I think we're coming to a trend that we see with this government, which is the announcement of major projects with full fanfare, public announcements — we have public announcements, we have press releases, we have media events, and we have budgetary spending commitments attached, and then a year later, they follow with a supplementary budget showing that the spending is not being done. The investments that were promised to Yukoners aren't happening.

Well, I guess we could announce a lot of projects, Mr. Chair. We could announce a new school in every community, if we're simply going to announce and then, come the end of the year, we're going to announce that we're not doing it. Heck, we could have spent that \$6 million again and again and again, if we never intended to do it.

We accept at face value the budgets this Premier tables, and it's pretty hard for us to decide how much there will be in revotes a year later or six months later. For example, in recent years we saw major funding commitments to the new Whitehorse Correctional Centre, then the money was lapsed or revoted — it didn't happen. This year, under continuing care on page 8-4 of the budget book in front of us, we see that there is a \$6-million reduction in the planned spending on the multi-level care facility in Watson Lake. To be accurate, it no longer says multi-level care facility in Watson Lake; just above it, it says

multi-level care facility in Dawson City and, if you go back a couple of years, this item was definitely appearing in the budgets and main estimates as multi-level care facility in Watson Lake. But I see it has morphed: it now says “Health Centre - Watson Lake.” But it was called a multi-level care facility in Watson Lake in the main estimates of 2007-08. That's what it was called on page 11-7 of last year's main estimates, but now we see it's in the process of being rebranded. It's now referred to, as I said, on page 8-4 of this year's supplementary budget, as a health centre.

We know we'll next see it labelled as a hospital or as a community hospital. It makes it kind of hard to track all the money that has been spent on this transformer of a building to date, because it's on its third name and its third department — actually it's the second department, because it started out in Highways and Public Works and then migrated over to Health and Social Services and now, since the former Health and Social Services minister fumbled the ball on this one and couldn't get it done, it has been picked up by the new Minister of Highways and Public Works who appears to be running rapidly down the field in the wrong direction, prepared to score on his own goal. Or maybe he thinks that this was the fault of Mother Nature, or the Tooth Fairy, or whatever other explanations that that minister brings in here.

In any case, the \$6.95 million approved for this project in the spring has now been reduced by \$6 million. So the pattern we're seeing is, as I said, grand announcements to the Yukon public about new projects followed by supplementary budgets that vastly reduce the spending, not because of achievements in savings, but rather because the government can't seem to get the projects off the ground.

I'll ask the Premier: is this his new approach to balancing the budget? Announce everything, but only bother to accomplish some of it, then change the name, change the project and announce it again? Perhaps that's a direct question he'd like to answer.

Unparliamentary language

Chair: Order please. Before we continue to debate today, the Chair would like to remind members that it's not in order to refer to members as “youthful ministers.” That reflects unfavourably on members' experience or their ability. I would ask members not to use that terminology again.

Hon. Mr. Fentie: The Leader of the Third Party has raised the bar of debate, and so the government side will of course reciprocate. You know, Mr. Chair, it is very difficult to debate any sort of budgetary item with the Leader of the Third Party, because I think the problem here is that the member opposite either won't look into the detail of budgets or doesn't understand budgets. I am going to try to respond to the many points the member made, but I'll start with the latter. To suggest that we balance the books by announcing projects and then cancelling the projects is simply something that is beyond any logical discussion whatsoever.

You know, I guess what the Leader of the Official Opposition fails to understand is that there is a great priority placed in health care to ensure that Yukoners, no matter where they may

live, will have access to quality health care as any other Canadian would have access to. When the project for a multi-level care facility in the community of Watson Lake commenced along with the necessary work that would be a part of that project relating to the existing structure, the building inspectors who did the review decided that a number of code issues in a building that was built in 1978 — such as not being earthquake-proof and so on — were a bit of a problem.

The government then began to look very closely at the operations and functionality of the Watson Lake hospital. There was a significant engineering investment — as it relates to both structures and the possibility of moving the existing hospital into the new structure, as it was started — to deal with the functionality and structural issues of the existing hospital.

Secondly, we are concerned that there be no reduction in the access to health care for Watson Lake citizens and surrounding area. And that's why a decision was made to convert the existing project into a new health centre/hospital, which Watson Lake does have — it's called the Watson Lake cottage hospital — to meet those health care needs of the community and surrounding region.

We also included — but the member hasn't even mentioned that — that there will be a facility for seniors in the community.

The member hasn't mentioned the fact, when it comes to health care, that we've also invested heavily in our emergency response, including adding paramedics to the community. I would challenge the Leader of the Official Opposition to suggest that this is not something that reflects the overall priority of health care when you move from a dependence on volunteers — in an area where the call-outs were in the hundreds, I believe, on an annual basis — and add trained paramedics to that emergency response. I would suggest that is certainly ensuring we are meeting the health care needs of Yukon citizens.

Furthermore, to be able to recruit and retain medical professionals and provide housing for doctors — all these things are being implemented in the community as we speak. What it's intended to do is meet those health care needs and provide that quality of health care that Yukon citizens deserve. That's what the government is doing, so the member is wrong in his assertions.

Secondly, the member had to make mention of past governments when investments were occurring and singled out the NDP. Under the former Liberal government's investment policy and oversight, well in excess of \$50 million plus was invested in the very same area; however, no government in the past did anything about the issue. This government did; it implemented a policy so these investments can no longer continue, definitely demonstrating action was taken.

The member doesn't understand what we have available to us fiscally. We have \$142.286 million, as booked. If the member wants to get into detail correctly in accounting, then the Leader of the Official Opposition should recognize that what's available to us overall is another \$83.7 million, which is dedicated to post-employment benefits and retirement benefits on the basis that all government employees would retire and/or quit on the same day.

All governments in the country are addressing this issue of accounting with the federal government, because it is a situation that creates a great deal of challenge for many — luckily not the Yukon; we're not in a debt position but others are.

So there's already discussion around the issues of accounting — public sector accounting — guidelines. But the actual fact is, if we look at our public accounts after the Auditor General has done her work, and it's the actual numbers because it's the year-end closeout, not projections — the supplementary is indeed still projections; we have a number of months to go before year-end. Many variances occur; that's what gives rise to lapses and revotes and so on, not the member's assertion that you announce a project and you cancel it. I mean, that's absurd. If you look historically, lapses are pretty much on the same level always. It's the way things are.

But if you look at the public accounts for actual numbers, our net financial resources position once the Auditor General had concluded her work is \$165 million. So that, at year-end of March 31, 2008, is exactly what's available to the Yukon government in fiscal capacity. Have we the intention of spending all that? No. But what we have said is that the government will be managing our way through the cycle, and where the cycle takes us will determine in a number of areas the decisions to be made.

You know, we also stated, Mr. Chair, that we would not be averse to going into a year-end deficit. We have had six year-end surpluses in a row — six of them. That has not been the norm in this territory. In fact, quite the opposite: year-end deficits were the norm. To get to the position we are in today, the results of this position are cumulative in nature of six year-end surpluses: hardball negotiations with Canada, making decisions and implementing initiatives that increase own-source revenues, turning the territory around and changing its direction from a negative declining jurisdiction in the country to a positive growing jurisdiction in the country.

We make no apologies for any of these things, Mr. Chair. We make no apologies for taking care of the health needs of citizens in Watson Lake. We make no apologies for announcing and investing in projects of importance to Yukoners. We make no apologies for how we negotiate with Canada to ensure we get, by principle, what is comparable to all jurisdictions of the country.

We make no apologies for the healthy financial position we've put this territory in. We make no apologies for being the first government to implement a policy that is clearer and much more workable for officials when they make investments. We make no apologies for all the money we've earned in investments over the last few years.

You know, it's all part of what contributes to the situation the Yukon is in today.

Now, I think we should reflect a little bit on what others are saying outside of this Assembly. And when you listen to what the public is saying, to what stakeholders are saying, to what industry is saying, it's inconsistent with what the Leader of the Official Opposition is saying. So one can only wonder why the Leader of the Official Opposition persistently places

the Liberal Party, the Official Opposition, outside of the reality of what's happening in our territory.

It would be very useful for the Official Opposition to maybe recognize that being more in tune with what is happening in the Yukon Territory would contribute to a much more constructive debate overall.

We can try to help but it's difficult because there has to be a receptiveness by others to accept some of what the government side is offering. We have before us a very positive fiscal situation, as presented in the supplementary budget. In fact, it even brings accolades from the federal Finance minister on how the Yukon has managed to take its financial position from where it was to where it is.

So we make no apologies for that and will continue to apply ourselves going forward, as we have in the past, to prudently and responsibly manage the finances of the Yukon Territory.

Now I know the member will stand up once again and continue with his confused and sometimes unrealistic approach to the investments of government, but it has been something we've gone back and forth on now for two years and it's apparent the member opposite just simply cannot grasp it.

I would like to go over some things for the member opposite, who keeps referring to "loss." In fact, there's no such thing. What contributes to this fiscal position that the member is trying to understand — because I think it's quite astounding to the Leader of the Official Opposition, given his fixation over the last couple of years, that the government has been able to table such a healthy financial position for Yukon. Maybe part of it is because the member will not — will not — accept these facts. This is the investment revenue history of this government since 2002-03. It totals \$22 million.

The other point the member continues to present that is incorrect is writedown. The issue here that was required for accounting purposes is the interest-earning adjustment of those revenues that then took the revenue situation of investment earnings of the Yukon government to almost \$16 million.

So Mr. Chair, the realities are that, since 2003, the Yukon government has earned a total of \$15.9 million, and at this year-end of 2007-08, we have earned a value of \$2 million — a little over \$2 million. So there is no loss. The member refers to loss, and that's the problem here.

We have a duty and a responsibility in debate to make sure that the public is getting the correct information, and the correct information is not loss, it is earnings — to the positive. Now the unfortunate part is that the banks reneged on another point that the member just simply will not accept. The member refuses to accept the fact that there was a guarantee in place. It was a guarantee of liquidity, should there be a market disruption. Now we're talking about a global cycle here which, Mr. Chair, frankly is a demonstration of a market disruption.

The banks reneged on that guarantee of liquidity, giving rise to the process that we have all been in — all of the investors that have been in this situation have been working on the restructuring of these assets. The member fails to accept the fact that the regulator itself allowed for the conditional guarantee of market disruption by banks. The regulator — it is OSFI

— allowed for that very change by changing policy. All these things are a factor, and in consideration of the fact that since 1990, the Finance department which makes the investments on behalf of government, has been investing in this area all along — a total of \$1.7 billion. When faced with the fact that the banks reneged on their liquidity guarantee, we the government of the day, took the steps to ensure that this type of investment would not happen again, to help our employees who bear this responsibility so they have a clear set of guidelines within which to work.

How would they reasonably know when the regulator allows for conditional guarantees? When investments had been going on as practice since 1990, it's very difficult for us to lay blame. I'm not sure what the Leader of the Official Opposition would have done in this case. It would have been an interesting scenario, I'm sure. We took the appropriate steps to not only work with all involved in the restructuring plan but to give assistance to our employees so they have a much clearer set of guidelines.

We have another issue here in debating this with the member opposite. I know it's not going to be very fruitful because really the only way for us to have a constructive discussion with the member opposite on the budget is to deal with the factual matters. We can't have statements like we cancel projects to balance books. That is just absolutely and totally out of any realistic context whatsoever and serves no purpose. I'm not really sure why the member even bothers with that type of statement. It's beyond reason as far as the government side is concerned.

I think the member is maybe — I'm just surmising now — maybe the Leader of the Official Opposition is afraid to debate the budget on its face value and in its factual context. Maybe that's the issue, because there is then a distinct contrast that can be presented. This is not a case of blaming past governments. It's demonstrating the difference — the difference — in what governments have done with the finances of the Yukon Territory. That's the discussion we should be having but that's probably not what will transpire here.

To conclude, not only do we have a net financial position that's very healthy for the Yukon Territory but, as projected, it will remain so. Yes, this year, we spent some money over what was brought in, but we're very diligent in how we do our work.

Our due diligence is always a daily exercise. We are closely always monitoring the finances of the Yukon. There are still a number of months yet to go through in this fiscal year, with a number of variances that would occur. What the member just has ignored is what changes to revenue will be reflected in those variances.

All these things are part and parcel of what we should be talking about in a budget debate, and I encourage the member to comply.

Mr. Mitchell: Thank you, Mr. Chair. It's hard to know where to start. We'll try and go through some of that in order, although I'll start with one comment near the end. The Premier manages in one breathtaking paragraph to talk about wanting to raise the bar of debate in this Legislature, and then suggests that he thinks the opposition is afraid to debate the

budget. That's quite an example of his elevated level of debate — to accuse the opposition of being afraid to debate the budget when that's exactly what we're trying to do here by asking very specific questions. We've asked a couple of them; we haven't had any answers. What we get instead of answers are grandiose statements of how all is well under this Premier's watch and everybody who ever preceded him didn't do so well.

As far as talking about the fact that I cited one particular NDP government, I was responding to him saying there was some \$300 million invested in — I guess in ABCPs, because he made the reference to these investments in 1998 — I was responding to his reference. If he wanted to pick another year, he should have, but he seemed to have personal knowledge of 1998, Mr. Chair. I just happen to know that was during the NDP's tenure. It was he who picked the example and I responded to it.

The Premier started off in his last sort of rambling response by talking about how he wanted to ensure that all Yukoners have access to quality health care, as everyone else. Then he implied that he has stated for the record other times that the opposition doesn't feel that the people in Watson Lake deserve good health care, and that's absolutely ridiculous — it's absurd. It's not factual.

We have said again and again every Yukoner deserves access to quality health care, but if the Premier wants to come out and decide to spend hundreds of millions of dollars to provide that in a community, then we're going to challenge him on whether he has spent the money well and efficiently or whether perhaps it will impact on the health care needs of other Yukoners. After all, we have in front of us — recently tabled — *The Yukon Health Care Review*, this several-hundred-page report done by his officials that indicates that we have a crisis in health care, that in fact we have crossed the line where we are spending more money on health care every year than is coming in. It is full of potential recommendations for user fees and other increases, all of which, although they are in the report, the Premier heartily tells Yukoners he has no intent of implementing — prior to going to public consultation, I might add — it is the Premier who has raised the issue of needing to be careful with our health care spending.

No, we don't think there shouldn't be a good hospital in Watson Lake. If the Premier has reports that make the case for saying that the existing one is outmoded, outdated and needs to be replaced, then they should have made that case. Instead, they embarked on a several-year project — several years. They didn't just find right off the bat, "Oh, we are heading down the wrong path;" they embarked on a several-year project of building a multi-level care facility and now they are trying to see if a hospital will fit into the building that was designed for another purpose.

That doesn't give much confidence of good planning. He talks about what he found out from the engineering — I guess I would ask the question: why did he authorize his government to start on a new project for a multi-level care facility before doing the engineering and research to determine whether the existing cottage hospital was adequate or needed to be replaced. If that was the greater priority, that's the project he

should have brought forward four years ago. That's not what he did.

Now the Premier talks about the new emergency services building and the need for full-time paramedics. We haven't questioned that. We haven't stood up and asked why he is building that or why he is doing that. That's his assertion that we question it. It's not ours. We haven't challenged it.

You know, this Premier starts off by saying that of course he looks forward to hearing specific and detailed questions in departmental debate, but he wants to have broader questions. And then when we ask the broadest question we can ask: is the spending trajectory sustainable? — he turns around and says, "Ask me specific questions about departments." It's hard to know, when this Premier can't make up his mind which way he wants the debate to go.

Now, as for \$82 million dedicated to employee retirement benefits, based upon the idea that if all employees would retire on the same day, the money needs to be set aside and at hand, it sounds like the Premier is looking, along with his colleagues, to challenge whether that is necessary. I would point out that that's the very reason, when he cites previous qualified audits. I believe that the previous qualified audits in several instances — at least in a couple — were because previous premiers — and I know at least two who have done it; perhaps there were more — capped that amount.

I think they picked an amount — it may have been \$30 million; I don't have the exact amount — but they didn't operate with the assumption that every employee would retire simultaneously on the same day. The Premier has been very critical of those governments — governments that were before my time, I might add — for making those decisions. Now he sounds like he's whining that he has to set aside this money, which he said should be done.

Six year-end surpluses — and he said that was not always the case. Well, I will point out for the Premier: he well knows that the Public Sector Accounting Board has recommended, the Auditor General has recommended, and in fact the government has implemented a very different form of accounting, which is closer to what would be called an accrual form of accounting where capital projects are amortized over many years and we don't just expense them in one year. That was not the case for any of his predecessors. The former Liberal government, the former NDP governments, the former Yukon Party governments — when they built a new school, for bookkeeping purposes, if they spent \$10 million to build a new school, it was expensed in the year in which it was completed, not over a 20-year basis on a flat-line basis or whichever basis is now used.

They now aren't done that way and it is more reflective of the reality of the lifespan of a building or of other capital expenses. That is what leads to changes where, even though the Premier admits that he is spending more money this year than he is taking in, he can still show a \$4.29-million net surplus, because the fact of the matter is that he doesn't have to expense all of the capital projects. It is apples and oranges, Mr. Chair.

The Premier said he makes no apologies for anything. He says he is not going to apologize and then he just gave a long list. I agree with that. We know that. He has probably never

apologized for anything and he certainly hasn't ever apologized for tying up \$36.5 million in bad investments in contravention of the Yukon's *Financial Administration Act*, and that is what he did.

It is an interesting approach: whenever the Premier finds that something has gone wrong it is either the fault of a world economic cycle or everyone was doing it too or his predecessors had done it. But, in point of fact, the Auditor General found that it was on his watch.

What did the Auditor General find? What were her main points in her report on the Government of Yukon's investment in asset-backed commercial paper? Well, what we found on page 1 was that the asset-backed commercial paper in which the government invested was not one of the three types of investments permitted by Yukon's *Financial Administration Act*. It was not guaranteed by the Government of Canada or any provincial government. It was not issued or guaranteed by a bank and it was not issued by a company incorporated federally or provincially and given the highest rating by at least two recognized security rating institutions, although one rating agency had provided the highest rating of the trust commercial paper. Prior to making those investments, the government did not obtain a legal opinion on whether or not the investments would comply with the act. It is very straightforward, Mr. Chair.

She goes on to talk about the liquidity agreements and said that those did not constitute a guarantee. When the Premier says we had a guarantee, we had the liquidity guarantees and the banks did not honour them — the banks did not honour them. Again, it's that same pattern. I wonder how long this Premier has relied on that pattern; it is somebody else's fault. He said the banks reneged on their guarantee of liquidity — blame it on the bankers.

Then he talks about the current global crisis. These assets were frozen a year ago at the end of August, or in August of 2007. That may have been a forewarning of the current financial crisis, although if the Premier had really been paying attention — he says due diligence is a daily occurrence under his watch; he says he's closely monitoring the situation — well, if that were the case, he would have noticed the previous problems with the mortgage-backed securities in the United States and he might have taken a closer look at the investments.

What were the investments, Mr. Chair? Because this Premier said his government has clarified the rules, he said OSFI allowed for the conditional guarantees, and so it's also the fault of the regulator. None of it is the responsibility of this Premier. He said his due diligence was a daily occurrence. Well, on what day did he fail to look at that one-page list of 24 investments, the three largest of which totalled \$36.5 million or the three that were not in compliance? If it was a daily occurrence, did he daily misjudge this or was this not part of his daily close monitoring? Because it's his responsibility to do that monitoring.

Don't blame officials, Mr. Chair. This Premier likes to say we're blaming the officials. Well, let's say it in really clear language: we don't blame the officials. We hold this Premier accountable. We hold this Premier responsible. This Premier failed in his oversight responsibility. No officials — the Pre-

mier, the Member for Watson Lake, the Finance Minister. There. That's clear. We don't want any misunderstanding. We don't want the Premier to turn to his official and say, "It must be your fault." His fault — very clear. That's who didn't do his job.

And you know, Mr. Chair, it's interesting because I've spoken with former premiers, and you know what? They actually did look at what they were investing in — I know that it'll shock this Premier, but I'm not talking about Liberal premiers; I'm talking about Yukon Party premiers and NDP premiers. They actually did take a look at what they were investing in.

Now the Premier says that they, too, invested in asset-backed commercial paper. Well, I have a couple of pieces of information for the Premier: they didn't have their assets frozen. They didn't invest in Opus Trust Series A, \$13 million — frozen; Symphony Trust Series A discount note, \$10 million — frozen; Symphony Trust Series A discount note, \$13.5 million — frozen. Only one Premier did that and he is sitting opposite me. He doesn't want to look over here because he doesn't like hearing it. It happened on his watch. He did it. He was elected not to do it but he did it. Let's be clear: not officials, they are not responsible. The responsibility and the buck stops with the elected Premier or, in this case, \$36.5 million stops there.

Let's talk about some other things, Mr. Chair, because I will agree with the Premier on one thing: as long as we are in this House, we will never come to an agreement on this because he'll never stand up and accept responsibility for his actions. He will always say the opposition is wrong. He will always say that it must have been officials. He will always say that everybody else was doing it — other governments were doing it. He will refer to accounting entries.

Well, you know, Mr. Chair, many of the other governments or other bodies — organizations that have done this — have been a lot more forthcoming about those accounting entries. They indicate that they're taking a writedown to more properly reflect the current value of the investments. The minister says there has been no loss. Well, of course, there is no loss because you can't sell them. Nobody will buy them. There is no market. There is no ability to get a "mark-to-market" valuation of them. The reason there is a writedown — the reason he had to do it — is because if he was going to have the public accounts audited by the Auditor General and accepted, since she told us last spring that there would be a loss. She said it in this Chamber. The Premier wasn't here. He didn't bother to walk down a flight of stairs. But she told members of this Assembly, in this Chamber —

Chair's statement

Chair: Order please. Referring to whether a member is or is not in the Chamber is not in order. I would remind the member not to do that.

Mr. Mitchell: The Premier clearly was not paying close attention to what the Auditor General said in this Chamber, because what she said in this Chamber was not addressing public accounts. She was addressing and invited all members of this Assembly to hear her presentation. She said that there will be a loss; the only question is how much.

Well, yes, it's an unrealized loss and that's why governments and public corporations take a writedown to try and anticipate the true value of an asset against the potential future loss. The loss may be greater or it may be lesser. This is the writedown that is anticipating what the valuation of that asset would be if there was an attempt to liquidate it now, although that cannot be. So that is what it was. The Premier says that he has made \$2 million in the current year in investments and \$22 million since first elected in 2002-03. Well, if he had followed the letter of the *Financial Administration Act*, we wouldn't be having this discussion at all. There would be no need for a writedown or an accounting entry or anything else. There would be no anticipated loss, because all the rest of the investments are properly guaranteed. I hope that the Premier is not disputing the Auditor General, who said that there never was a guarantee. I hope that's not what he is doing.

I would imagine that part of his due diligence is that now he probably does check to see what the Government of Yukon has invested in. It's not that difficult, because it's not that long a list at any given time.

Now, let's look at some other things that we haven't seen. For example, with respect to the environment, we still haven't seen a current state of the environment report. They're still running two years behind. So I'll ask the Premier: will the government endeavor to complete these reports on an annual basis and in a timely manner? It's pretty hard to make informed decisions on the environment. It's pretty hard to make informed decisions that involve management of fish and wildlife if the report's a couple of years old. A lot of things can change in a couple of years, Mr. Chair, just like the Premier's bad investments.

There are other things that there's money for in this budget, so I'll ask the Premier about the Dawson facility. What kind of facility is now being planned? Last year, there was \$100,000 in the budget; this year there's \$60,000, I believe. This year — and it's still being called a multi-level care facility, I believe, in this budget, for Dawson. Is it still a multi-level care facility that's being planned for Dawson? Is that \$60,000 in this supplementary for a multi-level care facility, or is that going to morph over time as well? There's obviously quite a large population in Dawson — I believe it's larger than the population in Watson Lake — and yet they don't seem to have such a facility.

The Whitehorse Correctional Centre — again, we'll just have big questions and maybe we'll get big answers. Why is the government stalling on starting this project? Where is the government at in this project? How is the planning for the new facility coming along? Is it still on schedule to open in 2011? What are the construction plans for this coming spring?

We know there is the interim housing facility for female inmates. I believe there's \$1,027,000 for the women's transitional living unit in the current budget, so we know that's ongoing. Perhaps the Premier can update us so that we don't have to wait for departmental debate on what the status of that is, when that facility will be completed and how that will be integrated into the final new structure.

I see my time is up. Thank you, Mr. Chair.

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

Recess

Chair: Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 12, *Second Appropriation Act, 2008-09*.

Hon. Mr. Fentie: Mr. Chair, I listened with great interest to the dissertations of the Leader of the Official Opposition. You know when the member talks about being clear, what became very clear is that when it comes to contraventions of the law, it is obvious that the Leader of the Third Party has the view that it is only a contravention if you get caught. That really astounded the government side. I can tell you, Mr. Chair, that attitude and that view and position is, frankly, in contravention. The fact of the matter is —

Some Hon. Member: (Inaudible)

Point of order

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

Mr. Mitchell: On a point of order, Mr. Chair, the Premier is saying that it becomes obvious that the Leader of the Official Opposition believes it only matters if you're in contravention of the law if you get caught, I believe that violates 19(g) imputes false or unavowed motives to another member. I said no such thing.

Chair: Mr. Cathers, on the point of order.

Hon. Mr. Cathers: On the point of order, there is no point of order. It is merely a dispute between members.

Chair's ruling

Chair: The Chair also believes that it's just a dispute between members.

Hon. Mr. Fentie: So the point I'm going to make is that this debate, frankly, is not about the budget at all. The government side, considering what has happened today and over the last while in this House, is no longer going to involve itself in the level of debate that is coming forth from the Official Opposition. Therefore unless the member, the Leader of the Official Opposition, has something constructive to discuss, the government side's position is that general debate — unless the third party decides that they'd like to engage — has cleared.

Mr. Mitchell: How interesting that the Premier has decided that having to answer questions for perhaps one hour in this House when he doesn't get to use 90-second sound bytes, when he doesn't get to have the last word, is more than he can handle. So that's a fascinating approach to debate, Mr. Chair.

He feels debate is cleared because he didn't like to answer the questions. I will point out that the questions that we asked were questions regarding whether the current spending trajectory was sustainable. The Premier responded to that by suggesting that we didn't know what we were asking or what we were talking about. He just doesn't like to answer questions, Mr. Chair; he likes it when there's only one speaker and he can ask and answer the questions, but it doesn't work like that in here.

So I do have some other questions for this Premier. They're specific questions, so I'm sure he'll pay attention and he'll answer them. For example, where are the two-year reserves of residential lots — the government has long had the policy of trying to maintain a two-year reserve of residential lots?

A very specific question for the Premier, Mr. Chair: I notice that in the Department of Community Services — it will just take me a moment to find the page — there is an adjustment for money not expended. Here it is: under Community Development, residential development was originally voted as \$25,700,000. In this supplementary there is a reduction in that expenditure of \$10,638,000 for development of residential lots. There is a \$400,000 reduction in recreational.

That indicates that the government isn't getting the job done. Now, this may relate to the difficulties the government had with a contractor over surveys in Whitehorse Copper, but at the end of the day what we have is that there are virtually no serviced city lots in the City of Whitehorse available over the counter for any Yukoner to come in — either an existing Yukoner or someone newly arrived — to purchase a lot and have a house built.

On any given day, there might be one or two, as people sometimes turn lots back when they are unable to complete the requirements for commencing construction within a certain period of time and completing it within a certain period of time. But basically, there is no inventory.

I know that in past years, previous to now, there was a lot of criticism. Even when the Premier was on the other side of the House in opposition, there was criticism of government needing to maintain that. The builders are certainly struggling because they have no place to build upon. They have country residential but no serviced city lots. That's a question: has the government changed its policy of having a two-year reserve of lots, because if not, then why aren't they doing it? It's a concern to us to see this major adjustment in the supplementary budget that indicates the work is not getting done.

Now something else — I know the officials are taking good notes for the Premier — I'd like to ask about and that is the reliance upon Ottawa versus diversification of the economy and self-reliance. We know the pat answer is about Yukon needing to be able to provide the same level of service to our citizens as do all other jurisdictions, and we agree with that. But I would just like to point out that if you take a look at the third party recoveries from Canada — transfers from Canada — that is, all of the revenue that comes from outside of Yukon, and you take a look at those amounts and you take a look at them in relation to the \$954.435 million that we are proposing to spend, it would appear that we are sitting at 82.6 percent of the funding for these projects coming from elsewhere, Mr. Chair. So it would appear that we have not grown any more self-reliant over the past six years under this Premier's watch. Yes, sole-source revenues, as the Premier will no doubt point out, have risen but not as a percentage of the budget as a whole. We are still sitting at over 80 percent: 82.6 percent.

We continue to receive the lion's share of our revenue from Ottawa or other sources — some of it has been from the Shawkak project but we know that is winding down and, if it is not renewed, we don't know that we'll have that funding any more. We appear to be no more self-reliant than ever and I think that the Premier needs to remember that the next time he decides to pat himself on the back about what a good job he is doing with the economy.

Another question I'll ask for this Premier, because we know that this Premier has a hand on the pulse of every department, that the ministers do not necessarily get to make decisions on issues, and that is about the youth shelter. Now, we've seen recently that NGOs, including the Youth of Today Society and others — Whitehorse Youth Coalition and others — have worked very diligently with five First Nations and the Anglican Church, all of whom have stepped up to assist them in purchasing a building for what they have called Angel's Nest, the proposed youth shelter for youth at risk. We believe that it's time for the government to stop putting stumbling blocks in their path and start helping them to make the youth shelter a reality.

The government has previously said, by letter and by announcement, that they don't approve of the business plan that has been presented by the proponents. Well, the government has many, many people with a lot of expertise in writing business plans, people with advanced degrees, accounting degrees, masters' degrees, who can assist in this. If the government doesn't approve of the business plan that has been presented, will it step up and help the five First Nations and the NGOs and the church and the others who have contributed real dollars to making this need into a reality to write a better one? Will the government do that? It's a question for the Premier.

We have youth at risk. I don't think that the term "homeless" is the right term, because there may be a home. Most of the time there is a putative home, but it may not be a safe place at any particular time.

We had three moving tributes today to the late Bob Couchman. He was a believer in the need to do something about this. The Leader of the Third Party spoke quite movingly about that voice inspiring us to carry on with asking the tough questions and making sure that the work gets done. I am going to do that right now. I am going to ask this government to make a commitment to work constructively with all the people who are trying to come up with a safe place for youth at risk in the City of Whitehorse, and they may not be from the City of Whitehorse. It tends to be a gathering place in Whitehorse for many youth from communities, which is why we have five First Nations — not just the First Nations that are based in the Whitehorse area — contributing to this. It is needed. There needs to be proper programming. It needs to be available 24/7 and not a cellphone. It needs to be a location that kids know they can go to when in trouble, whether that trouble be of their own making, whether they have found themselves dealing with their own substance abuse or their own bad relationships, or whether because home has become an unsafe place.

So I'd like the Premier to answer whether his government will make that commitment. He talks about \$142 million in net

financial resources, and then he mentions that there is actually another \$82 million set aside for the pension requirements of Yukon government employees. It's not a question of not having the money; it's a question of spending priorities. And when this Premier says that we oppose everything because we vote against a budget that we in the opposition parties don't support, and he lists a long list of projects — well, here's one example of something we're asking for that we want to see real money, in a real budget — not lip service. We want to see a commitment to doing something about it.

I'm going to ask a few more questions, so that the Premier will have time to gather his thoughts and provide us with constructive answers, or perhaps one of his ministers will do so on his behalf.

Another question I want to ask is for an update on the situation with the Dawson sewage requirements. As you know, of course, Mr. Chair, there is the court-ordered process that requires the City of Dawson to comply with the federal government's requirements in terms of treating sewage before it flows as effluent back into the Yukon River. We know the history of this, that it was far too much of a burden for the community of Dawson with their limited tax base to ever be able to accomplish on their own. The government made a commitment and we support that commitment, Mr. Chair. That is another commitment — unlike what the Premier says, we do support the territorial government stepping up and helping the City of Dawson to fulfill that requirement.

We know that the original site for a sewage lagoon was turned down in a referendum in Dawson. We know that they are now looking at going back to a mechanical solution. We would like an update. Does this government continue to guarantee that whatever the cost finally is — and we want it to be the most effective and efficient system but we do want it to be one that is environmentally sound — will the Premier reiterate the commitment to provide the necessary funding?

There is another issue I'd like to ask about. I don't know whether we will have all departments called — in particular, the Yukon Housing Corporation — so I can't leave these questions for departmental debate, Mr. Chair. I'll put them on the record now. That's for the Whitehorse Housing Co-operative in my constituency of Copperbelt in Granger subdivision. The Yukon Housing Corporation, which was acting as the receiver for the housing co-op — the minister has indicated that the Yukon Housing Corporation is going to move toward dissolving that co-op and absorbing the existing housing into their stock of social housing.

That has been a great concern to a number of my constituents because they're not certain whether they will all qualify under the social housing policies of the Yukon Housing Corporation to stay in their homes. They have something that's not unique to Canada because housing cooperatives exist across this country as very good alternatives to other forms of housing where people work cooperatively together to administer housing stock for their own use and for the continued use of other people over time.

It creates a sense of community and it gives the people who are living in these homes an opportunity to have some

control over their own destiny, to make decisions over which repairs should be effected first, and which maintenance needs to be done. The residents are very upset about the idea that this is going to be dissolved, and some of them may have to find other housing in a difficult market to do that in. I'd like an update on whether the government is still moving ahead with this or whether they're considering not moving ahead with it.

While I'm on my feet, another question that I have has to do with F.H. Collins Secondary School. We know from the Hold Fast reports that have been tabled in this Legislative Assembly that this was identified — either the renovation or the replacement of that school is a priority for the education system.

Recently, while there has been no official announcement of an actual project and there has been no real indication of a timeline that the government is going to go ahead for the replacement of the school, but the fact of the school being a priority for replacement has been discussed quite publicly in the media. Many people have said, including members of the school council, that they have been told that the project will go ahead, that there will be a replacement and not just a major renovation of F.H. Collins Secondary School. Now, this is one of those announcements that is not an announcement, like the way in which we found out about the Watson Lake hospital. There was no announcement. There was just a request for tenders on trying to look at what changes would be needed for the failed multi-level care facility in order to convert it to a hospital, which appeared on a Web site. Well, this is similar to that. Everyone seems to know it, yet there doesn't seem to be an official government announcement or timeline.

I'm going to ask the government about it here, because it's a big-ticket item and will take a big chunk of the \$142 million of net financial resources to which the Premier referred in his previous remarks. I would like to know where that is in the planning timeline.

Another question I would like to ask: what is happening in terms of re-establishing a mandate for land claims negotiations for the three non-settled First Nations, the three non-settled claims? We know that there was the Fitch report. The Premier indicated last year that the report is being studied and being considered by the Government of Canada. We would like to know in his responsibility as the minister responsible for land claims, is this now moving forward? What is occurring with the newly re-elected Government of Canada? Can the Premier give us an update on how that is transpiring? Again, we are trying to keep this as high level, Mr. Chair. The implementation of land claims, the nine-year review: perhaps when the minister is next on his feet he can update us on how this is progressing and when he will make the nine-year review documents public, or if he will.

I'm not sure what I've got left for time. My time is short. I am going to put out a couple more questions, Mr. Chair, in the interest of efficiency, and that way the Premier can try to answer more than one question when he is next on his feet.

Last spring, we saw the *North Yukon Land Use Plan* come forward. We would like to know what other regional land use

plans are nearing completion. I have asked this question before: why is the progress so slow on these plans?

We do hear from First Nations; we hear from environmental organizations and we hear from many stakeholders that they would like to see this progress of comprehensive land use planning move forward, so that we end up with fewer potential conflicts between different land use holders, whether they be mining, forestry — possibilities that concern others because there isn't a comprehensive plan.

We are not saying that there can be no economic activity without it. We're asking what's happening. We've heard that a considerable portion of the federal funding that was initially provided has been expended already, and we've only got one comprehensive land use plan that we've seen. What is the Premier and Minister of Finance doing in terms of getting additional funding from Ottawa — if that's the route he's going to take — so that there can be sufficient funding for these plans to move forward?

So I think at this point I'm almost at the end of my time, and I will give the Premier an opportunity to respond.

Hon. Mr. Lang: I will address the member opposite and his many, many questions covering many, many departments. Of course, a lot of those questions could be answered in lines when we're talking about the departments. To give him an overview of the lot situation in the City of Whitehorse — somehow the member opposite insinuates the territorial government has the lead on that but that in fact is false, Mr. Chair. The City of Whitehorse has the lead. We work with the city; we work within their official city plan to develop lots. Of course, the partnership we have is just that. The City of Whitehorse is the lead on that, so the member opposite is wrong in his conversation about the responsibility for the lots.

Over the last six years, the population growth and the economic growth of the territory has put pressure on the lots inside the city of Whitehorse and certainly that's a good-news story for the territory. On the other side of the ledger, it puts an added burden on the City of Whitehorse to get the lots out, and they are doing just that, Mr. Chair. They're looking at the lower bench and other areas of Whitehorse where those lots could be available. The lower bench is a development that's going to be done in the Porter Creek area. They've been working on it for approximately two years, and hopefully in 2009-10 the first phase of that development will be out.

The plan is to eventually have a facility or a land mass that could in time support up to 6,000 to 8,000 individual people in that area. So that's a very large development.

The member, during debate on line items, could cover the work that EMR is doing in the land file — through Energy, Mines and Resources, the territorial government is certainly looking very aggressively outside of Whitehorse for opportunities for Yukoners to have a different lifestyle — looking at rural residential and of course recreational opportunities. The government is doing its job. There is a process in place. The process will be followed and lots will be made available.

The other aspect of the land management is that there is now the availability of local developers developing land that wasn't there six years ago. The demand wasn't there for lots

under the Liberal government of the past. In fact, the inventory of lots was quite high then because there was the lack of customers to buy and build on those lots.

You only have to look in the City of Whitehorse to see what has been done to date in the last six years — the opportunity to rebuild of the downtown core. There has been investment by the public — investments in condominiums and opportunities for people to live in our downtown core again. So those opportunities are there and people are taking advantage of them. There are opportunities out there. It will always be a work in progress as we look forward to an expanding population in our city and in the surrounding areas. We certainly are looking at as Dawson City, Watson Lake and other communities outside of Whitehorse, to meet the demands that are there. Dawson City has the potential for lot expansions in and around the City of Dawson and are looking at that favourably with processes in place.

Watson Lake is another community that is looking at more development. We also have Haines Junction. All these other communities that we have invested in over the last six years have the same issues, and we are addressing those issues. When the member opposite — the Leader of the Official Opposition — says that, for some reason, there has been a figure thrown out there that should be addressed — a figure they like to put on the table that there is an excess of 200 lots available at all times — but Mr. Chair, that is not possible at this point.

The lots are taken up as quickly as we put them on the market, and we are doing our best to make sure that we maximize the number of lots that we can put out there. The city is doing their good work. Hardly a week goes by that there aren't advertisements in the paper for participation of the general public on the decision-making process that they have in place for the eventual expansion of the land in the territory. We will support them as well as we can within the MOU that we have between ourselves as two governments. Again, I remind the member opposite that we as a government are in support of the City of Whitehorse, and the City of Whitehorse will take the lead on that. That is an issue that the member opposite forgot to put into the question process.

As we look through the many, many questions the member opposite — the Leader of the Liberal Party — has put in front of us here today in general debate, a lot of these answers will be available as we get our departments out here on the floor. We work diligently to get them out here and get the debate going on these departments. I think a lot of those questions will answer themselves as we move through the debate here in the next 10 days, and I look forward to answering the questions for the departments that I'm responsible for: Community Services and Highways and Public Works. I'm looking forward to that debate.

Another question that pertains to one of the departments I'm responsible for is the Dawson sewer situation. People in Dawson City certainly voiced their opinion on choice of site and the makeup of their community sewer system. And under the court decision, we not only partnered with the City of Dawson but we took the responsibility of moving forward — work-

ing with the city but, understanding the economic dynamics of the responsibility, we will be working with the City of Dawson.

And, by the way, Mr. Chair, the Member for Klondike is part and parcel of this government, and for anybody in Dawson City who wants or needs an update on what's happening, he is certainly open when he is in the community. So we are working on the issue. We will look forward to the finished product.

This issue has been a government issue, whether it was the City of Dawson or the territorial government, for the last 10 years approximately, and it's a need that the City of Dawson has. We in fact, in working with the courts, have got an extension. So the extension has been granted, which gives us a bit of a window of opportunity to get the job done. But it has been a very tedious process, and an expensive process up to now, when you think of the costs that have been put out to address this issue.

So again, through the line-by-line in the departments, those kinds of questions will be asked by the opposition, but they will be answered by us. Again, Mr. Chair, I look forward to getting these departments up; I look forward to participating in the debate. And when the member opposite talks about "we might do this and we might do that," the member opposite has to remember, in the House here we have X amount of time to debate the budget. The member opposite talks extensively about when we start these debates, but I recommend to the member opposite: let's sit down with his caucus and do some planning on how we could maximize the time that we have available to us in the next period of time, and I'm sure that if we treat this in a very constructive way, we will be able to put those departments behind us and answer the questions put on the floor here.

We on this side of the House are open to that. We would like to see all the departments, whether it's Yukon Housing Corporation or Highways and Public Works, up here in the House and debated on the floor in the next 10 days.

Mr. Mitchell: I thank the minister for those responses. It's always interesting when the Minister of Energy, Mines and Resources gets to his feet, because he has a very interesting syntax that he uses. Sorry, I meant the Minister of Community Services. He made mention of Energy, Mines and Resources in his notes.

He actually said, I believe, that as Minister of Energy, Mines and Resources he was responsible for it, but in any case, he is the Minister of Community Services. If he didn't say that, it's fine. I won't use any adjectives. The Minister of Energy, Mines and Resources, whatever age he is — not youthful — has corrected me. In any case, I appreciate the answer.

I'm not sure I heard an answer on the Dawson sewer issue. He basically told me that this has been going on for quite some time and that the Member for Klondike was always ready to update his constituents about that. That's great, but I don't think that answers the question in this House. We've actually asked the question.

As for the lot development, yes it is a shared responsibility, but there are millions and millions of dollars in this government's budget toward developing lots. That's why we asked the question of this government. It's not for us to go to City

Hall and ask the question of the City of Whitehorse. Our job here is to ask the question of the government on what they're doing about developing more lots, because that's where the money comes from.

That's fine. I thank the minister for those sorts of answers to those two questions.

As the minister pointed out, I asked a number of questions. I'm trying to be efficient in the use of time. I asked questions about F.H. Collins Secondary School, the Granger housing co-op, additional land use plans, a youth shelter, becoming more diversified in the economy, the three outstanding land claims, whether there was progress being made on a new mandate and about the nine-year review.

The Minister of Community Services didn't answer any of those questions, but I'm sure the Premier will when he is next on his feet, and I look forward to those answers.

Now, in terms of something else that the Minister of Community Services said when he was just on his feet: he encouraged us to plan our time better within our caucuses. I would suggest to the minister that, as he well knows, we find out at approximately 10:00 every morning what the government plans to call for the day — just as we found out on Monday of this week that they were calling this budget for second reading and budget response, and that of course took place over Monday and Tuesday, and today they informed us that they were going to call for general debate on the budget.

The only thing we can do to plan our time is to plan it once we get past 10:00 in the morning and the government deigns to inform us what we are going to be debating.

Now the Minister of Community Services has suggested that we have 10 days remaining in the current sitting, which is obviously quite correct. This is not only to complete debate on all bills but also debate on the budget. He wanted us to maximize our time and plan it. I will say to the minister, he said he wanted to work with us and with our caucuses. I would say to the minister, if he would be so kind as to give us a 10-day schedule, his proposed 10-day schedule, then we will know how much time we have for debate of each department and we will be assured of being able to debate the departments and ask these questions in departmental debate.

But we have found out in the past, Mr. Chair, that the government's response to general debate is to say, why ask these questions in general debate? Ask them when the department's called. And then they don't call the particular department. So unless they want to lay out their 10-day schedule — and you know what? If they would like the House leaders to meet, all three House leaders, to plan out how we're going to spend our time for the remaining 10 days of this sitting to make best use of it, whether there'll be opposition motion day debate or the government will use their final Wednesday private members' day for debating a motion, or whether they will put it into debate on something and allow it to be used — with the acquiescence of the Member for Klondike, of course — for other debate, if they want to give us a schedule of which bills they want to call on which day — which is done in some governments, Mr. Chair; there are schedules published; I believe, even in the House of Commons, they lay out a schedule — if the govern-

ment wants to do that, then I will commit right now that our House leader will meet with the House leader from the government and no doubt the House leader from the third party, whom I'm sure will be only too happy to lay out an effective and efficient schedule for the final 10 days of this sitting. That would be something novel, Mr. Chair, but we'd certainly be interested in doing that.

Now, in the meantime, we have to ask questions in general debate because we don't know whether we're ever going to have an opportunity to ask them in departmental debate. We don't know that.

I'll ask a couple more questions. I'm not certain how much time I have remaining, Mr. Chair. Okay, I'll ask a few more questions then, because I apparently have a lot of time remaining.

We've asked some questions in the House on the special audit into contracting — the *Report on the Audit of Contracts*. We haven't gotten a lot of answers. But there is also another report that appears on the government Web site, and that's the report on the audit of the Pharmacare and extended health benefits programs. So I've got a couple of questions on those, because we're not certain when we're going to get to the Department of Health and Social Services debate because the government hasn't decided to give us that schedule yet.

One of the things that we see is that the agreement between the Yukon government and the Pharmacy Society of the Yukon, which provides for insured health services to eligible beneficiaries and the manner in which these services would be charged to the government, expired in May 1997 and has never been renewed. I find that quite astounding because earlier this afternoon, the Premier told me that his due diligence was a daily occurrence. He is closely monitoring every and all situations, but apparently we have gone 10 years without a renewed agreement. As a result, the pharmacies and the department continued to operate as if an agreement was in place — the old agreement. So under the terms of this agreement, the Government of Yukon is paying a higher markup rate on the cost of drugs than our other jurisdictions. I think this is also something that was identified in the Yukon health care review, Mr. Chair. It was recommended that the government try to negotiate a better agreement to effect cost savings. I believe that there was drug procurement. The amount that the Yukon health care review identified was a potential \$1,600,000 per year. Those are annual savings. So, over 10 years, it is \$16,000,000. That is quite considerable. I guess if that's the amount that could be saved, then over the past six years, it would indicate that there has been some \$9.6 million that could have been saved had the government got around to this sooner.

I know that the minister, when he is on his feet, will tell us that this has gone on through three governments and it has. Apparently it was allowed to expire under the former NDP government. It was not renewed under the Liberal government. There has now been six years of this government so I will ask what the government is doing to renew that agreement under better or favourable terms to the Yukon taxpayer.

Now another interesting thing — because we are talking to the Minister of Finance — is that the report indicated that while

the procedures used for verifying claims within the Pharmacare office were found to be sufficient, those applied by the finance, systems and administration branch of Finance for verifying and approving the payment were found to be inappropriate during the period of audit coverage. It also found that the software that runs the Pharmacare system is inadequate for today's reporting or control needs.

Some actions were implemented in 2006 to phase in a new Pharmacare system but apparently more is needed. They also found that pharmacies that are the recipients of much of the Yukon's spending on the drug programs are not audited to recover funds or to deter potential abuse. We are not suggesting that there is any abuse, Mr. Chair, but the report found that the pharmacies are not audited to determine that everything is being done properly.

The cost of prescription drugs is apparently higher here than it is elsewhere and there are savings that could be achieved. I believe that the figures, according to the report, are that there is the actual drug cost — the manufacturer's whole sale price, as represented by the amounts listed in the formulary — plus the distributor's markup up to 14 percent. Then there is the up-charge price the pharmacy can mark up the actual acquisition cost of the drug, and that is 30 percent. Then there is the dispensing fee which is a maximum of \$8.75 per prescription.

There are savings that can be found. For example, in British Columbia, they go with the AAC plus a seven-percent markup. In Ontario, they go with a 10-percent mark up. Here we have AAC plus the 14-percent wholesale markup plus a pharmacy markup of 30 percent. I am hoping that the minister, when he is on his feet, can answer that.

I know I've given the minister quite a few questions to answer, but the Minister of Community Services only took a stab at two of them. I'm trying to be efficient and effective here, Mr. Chair, trying to put a lot of questions into each one of my opportunities while I'm on my feet, because I don't whether the government, for example, will call general debate again tomorrow. This might be the only opportunity. Last year they called it one day and then we never got back to it.

I have another question — again it's a health care question but it's a big-picture question; it's not a little line item. The budget doesn't seem to contain funding to fulfill the Yukon Party government's promise to build a centrally located ambulance response facility for Whitehorse residents. There were plans, previously, for a new emergency medical services facility to be located in the vicinity of the intersection of Hamilton Boulevard and the Alaska Highway, and the promise to build this seems to have fallen off the radar. The purpose of this new facility was to reduce response times. This seems to have lagged for some period of time. The response time on this project seems to be very lengthy. I would question whether the government has decided not to go forward with that or whether they are going to move forward with it now.

I think I've given the Premier quite a few things that he can respond to.

Certainly there are some, such as the progress with the three outstanding land claims in the Fitch report which we could use an update on directly from him. I don't think any

other ministers can answer that on his behalf. There is the implementation of land claims and the nine-year review. Another one would be whether or not the government would be looking to assist the Kwanlin Dun First Nation with building their cultural centre on the waterfront. This has been quite a topic recently. We know that there has been some talk of the possibility of relocating the Whitehorse Public Library into such a building. At what stage are those discussions?

I will leave the minister to look at the notes his officials have taken on the other questions. I know I have more time, Mr. Chair, but I'm not going to use all of it, because I know the Premier is eager to respond.

Hon. Mr. Fentie: Mr. Chair, I am going to begin with the discussion around the good use of time. Of course, in general debate, there is always a tendency to drill down into detailed debate, rather than remaining at a general threshold. Many of the questions before me are very much part of a department-by-department, line-by-line debate, but the Leader of the Official Opposition suggests that they can't manage their time because of some confusing position about the government not providing notification of what business will be conducted. We all know that is not the case. That's done on a daily basis.

But let me — in the spirit of cooperation — point to something here about use of time. You know, we're debating the *Forest Resources Act*, the first *Forest Resources Act* in the history of this territory, and amendments have come forward, such as —

Some Hon. Member: (Inaudible)

Point of order

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

Mr. Mitchell: On a point of order, we are debating Bill No. 12, the first supplementary for 2008-09. He has lots of opportunity to debate the *Forest Resources Act*, if the minister wants to engage in that debate, when Bill No. 59 is before us. But it's not right now, and I would ask that the Chair remind the Premier that, under 19(b), when a member speaks to matters other than the question under discussion, that's not really in order and this has nothing to do with the debate at hand.

Chair's ruling

Chair: On the point of order, there is no point of order. General debate on a supplementary budget is all-encompassing of the government and any acts or anything put forth by the government is part of the government, so it is relevant.

Hon. Mr. Fentie: Mr. Chair, in the context of managing time and time available, the point I was about to make is that when we spend time debating amendments for legislation that include clauses that have absolutely no place in a Yukon statute or legal instrument, that is what the problem is, Mr. Chair. I refer to an amendment that is asking to amend our forestry act to include consultation with affected renewable resources councils regarding a budget for their involvement in developing the forest resources management.

Mr. Chair, the facts of the matter are that resources councils are a creation of the agreements and that the resourcing of renewable resources councils is given rise through the imple-

mentation of those agreements and it is strictly a federal obligation. It is part of the nine-year review. So that wasn't a very effective use of time. I think I make my point. It is an obvious issue.

So regardless of what business of the day the government calls, it is still the opposition's responsibility to ensure they manage their time appropriately. Another example is a motion today that for the most part has been deemed out of order. These are the things that don't contribute to a good use or management of time.

The member talked about audit reports. I know the Official Opposition has been using these reports to try and criticize government but the fact of the matter is that the operations of government have been ongoing for some time under all existing policies, legislation, regulation, process and so on. The real issue here is the fact that it's this government that has been conducting the audits and produced these reports that give insight into where we've got to start addressing issues, and that's the purpose of the audits. It is to provide the necessary information so that government can provide direction, solution and indeed — always as is the intent — to improve governance overall and the delivery of services to the Yukon public.

So that's what the audits are about. It's this government that undertook these audits and it's this government that is bringing forward the solutions in the various forms required.

The member talked about a number of things that actually relate to general debate. The nine-year review — that's a very general statement, but it is a review required under the agreements. It has been concluded; we are at the stage where the federal government is developing its mandate for the continued implementation of the agreements and it is specific to seven First Nations. We, the Yukon government, are very much a part of that process. It also includes implementation in areas that the Yukon government is responsible for, and that requires a bilateral arrangement with Canada on the fiscal issues that result from implementation. There is no movement by the federal government on a new mandate to finish the unfinished business, the unsettled claims here in the Yukon. Part of that process goes back to the Fitch report, for which there has been no indication yet from the federal government on what their intentions are.

The issue of reliance on Ottawa — I find that interesting because as a leader, we all must understand a very fundamental principle of this country when it comes to sharing the wealth of the country, and it is based on this: comparable services, given the capacity for comparable levels of taxation.

In the country provincially, there is a mechanism called equalization that balances out those principles and ensures that across the country and in every province, comparable services are achievable given the levels of taxation in each province. Some provinces receive equalization and some do not. The bottom line is that it ensures a balance and deliver of comparable services.

For the Yukon, the Northwest Territories and Nunavut, that is not the instrument we have. We are not part of equalization. Our instrument is known as the territorial funding formula, with a number of mechanisms within the formula to

achieve comparable services based on our levels of taxation, which obviously are not comparable to anything more than a small city throughout the rest of the country. But it is a fundamental principle. It is not about reliance; it is about delivering those comparable services to citizens.

No Canadian should be penalized or have to live with reduced access to government services. We are all taxpayers in the country and for us in the north to achieve what we need to achieve, the funding formula is very important. It is not “reliance”. It is not reliance at all. If the member were to look into the funding formula, the member would see that as we grow, as our own-source revenues continue to increase, 70 percent of that growth factor of those own-source revenues are returned to Canada. We are making a contribution, in return, to Canada and the Canadian tax-paying public for what we receive. It is certainly not reliance. It is what should be, in the member’s view, Yukoners’ right to receive comparable services.

The other issue is good news. If you look just at this budget, Mr. Chair, you will see that general revenues and taxes for the Yukon government, in terms of change, are in the \$14-million range — an increase of \$14 million in own-source revenues.

In this supplementary budget, which is a culmination of all period 5 variances from the start of the fiscal year 2008-09, the increase in transfers from Canada are only \$215,000. Yes, it is so that more than 60 percent of our fiscal position is because of the territorial funding formula, but this government negotiated that funding formula with a willing partner — the federal Finance department and Minister Flaherty, who was clearly committed to implementing the recommendations of the O’Brien report, which was all about achieving or at least dealing with fiscal imbalance in the country.

The good news is that our own-source revenues in growth are today outdistancing any increases of transfers from Canada. But in total, we still have a long way to go. That’s why this government has a number of measures to ensure that our economic growth continues. We want to achieve more and more increase in levels of self-sufficiency, but every time we do we are very proud to be able to return to the southern taxpayer 70 percent of that growth factor.

As part of our territorial formula funding negotiations, we also ensured that, unlike the past where over 100 percent of that own-source revenue was returned to Canada, we have retained 30 percent to further contribute to that increase in own-source revenues and economic growth. It’s called an economic factor within the territorial funding formula.

So I would respectfully ask that the Leader of the Official Opposition recognize that reliance is not the issue; comparable services is the principle. And that’s the principle that guides this government, our federal government, and indeed the country.

The other point is that, over the last six years, we have not put ourselves in the situation where we’ve become more and more reliant on Canada. We’ve been heading in a trajectory where that is not the case and I think that’s important to recognize.

I think there was another issue here — yes, the cultural centre for Kwanlin Dun First Nation. The facts are that the government has already been a contributor to that, as our obligations require in the final agreement with Kwanlin Dun First Nation.

We are and have met those obligations with significant investment to date, and we are helping and working with Kwanlin Dun First Nation to do what we can, to the extent possible, to ensure that this very important initiative for the First Nation on the Whitehorse waterfront moves from concept to reality.

The issue of land use planning is something that unfortunately was left simply stagnant over many years since the first four First Nations signed off their agreements, and the good news is, and I’m pleased to announce, that land use planning is now well underway with a land use plan for north Yukon at a very progressive stage in terms of its status and work done to date, and is getting closer and closer to a final plan being made available.

Obviously ambulance services and those types of things belong in the discussion with the appropriate departments, Mr. Chair. I’m just trying to wrap up here, so I’m doing the best I can to accommodate the member, the Leader of the Official Opposition.

The issue of money in the budget for lots, though, is more appropriate in the department responsible. We always put money in the budget, because of our protocol and our arrangement with the City of Whitehorse. We must allow the City of Whitehorse to do what it is obligated to do through the official city plan — through zoning, through consultation and other measures — as we move along.

I am trying to be helpful here. The issue of the youth shelter — the government has clearly stated all along that as we continue to invest in our front-line NGOs, we also assist them by providing them all the information they require should young people or those who need assistance in many areas on the social side of the ledger are given the necessary information and referrals to where they can access that assistance. We have done that on an ongoing basis and are pleased to continue to do that. There are many investments made in dealing with youth, seniors and others in the territory. We also know statistically that the most pressing need is for single parents and affordable housing requirements in that particular constituency. The member knows full well that the government is advancing a very significant project through investment to meet those needs.

We have already made significant progress in providing affordable housing for seniors across this territory. One of the most recent examples would be the facilities that are up on the college precincts. They were used temporarily for the Canada Winter Games, but are now totally converted to affordable housing, not only for seniors in one of the units, but also for students. I am pleased to see that students are attending Yukon College from outside of Whitehorse. They have a facility where their families can be with them. Many of these students are no longer in their teenage years. They are adults who are returning to the education system to gain skills in levels of education that

will further contribute to their involvement in Yukon society. I think that's a very noble choice that they make. This facility is being well-used.

Haines Junction is another example. There is a project that is ready to be launched in the Watson Lake community for seniors. Planning and research is being done in other communities like Teslin.

All in all, when you consider what's happening, what's available fiscally, the direction the Yukon's going, the engagement with key stakeholders as we're doing on a regular basis, the internal monitoring — you know, the member repeats many times, "due diligence." Well, that's happening every day. I hope I don't shatter the member's view of what government does, but that goes on on a daily basis. In dealing with the situation we face globally, we've added even a more focused monitoring and assessment process with our key stakeholders to ensure that emerging issues can be addressed quickly and efficiently, and that's what's happening right now in the Yukon.

I'm going to have to take exception to any comments made that the government has been inactive or has not recognized the challenges that we face. That's not the case at all. By the way, maybe the member could call key stakeholders and others and ask them what they think. That might be very helpful for the Leader of the Official Opposition.

Then he does not have to simply accept the comments of the government side, but can certainly get information from others out there who are very much involved.

So, all in all, the government side has endeavoured to be as helpful as possible in general debate. I would point out that there are a number of discussions we're having that are much more efficiently dealt with when we're in departmental debate — line-by-line debate. I think, if the member is interested in that information, we can quickly move this debate to the departments, to get into line by line, where the opposition members can drill down in more detail and have more questions responded to in that detailed manner than is possible during general debate.

In closing, the government side has tabled a supplementary budget that meets the needs, demonstrates prudent fiscal management, shows clearly the very healthy fiscal position of government today going forward, and we're very pleased with that. It took a lot of work, a lot of dedication by the Department of Finance, a lot of dedication by all departments and prudent fiscal management. Our budget cycles these days are much more stringent. We're very careful on discretionary spending. A lot of things are happening in the government today that ensure that we not only have developed a fiscal position like we have but carrying forward and continue to do so.

Thank you, Mr. Chair.

Mr. Mitchell: I will thank the Premier for those questions that he did answer, and there were actually some actual answers to a couple of the questions that time — specifically about the nine-year review and the fact that there is no new mandate for the three First Nations in response to the Fitch report.

I don't think he was listening very carefully when I talked about our reliance on funding other than sole source because I have repeatedly said that we understand and agree and support the principle that Yukon residents and citizens have just as much an entitlement as does any Canadian to equal service and clearly, considering there is only some 33,000 of us, as he mentioned, our tax base isn't any greater than a small city and we wouldn't be able to provide that if per capita funding was looked at. And while I do appreciate his discussion of how the territorial formula financing works, he didn't tell us anything that we didn't already know, but I thank him for going over that again.

I will point out he mentioned there's only \$215,000 in this supplementary budget in additional transfers from Ottawa, but there are also \$12.8 million in recoveries from Canada so there is still significant funding that is coming in.

Telling us that they've already met their obligation to provide assistance to the KDFN for a cultural centre didn't really provide us with the update I was looking for. Telling us what was done in the past — we already knew there had been some funding in the past. I was asking what additional plans there are now, including the possibility of the library that was publicly discussed.

In terms of land use planning, it appeared that the Premier sort of repeated my question to me by saying that land use planning was well underway in north Yukon, because in the question I said I understood there has been great progress made in north Yukon. What I wanted to hear about was what about the other 13 regions? The Premier didn't answer that at all so I'll ask him again: what about the 13 other planning areas? We've been told in the past — including by meeting with the planning commission — that a great deal of the funding has been expended and there is not sufficient funding left to do the work in the other areas.

So the question for the Premier is: is he at work negotiating with Canada for additional funding, or does he plan to provide the additional funding from Yukon's revenues, those being the only two real alternatives? Since the land use planning process is set up under the land claims process, it would appear that it would be Canada's obligation. If that was underfunded by Canada originally, in order to accomplish the work required, perhaps the Premier is looking for additional funding.

Regarding the youth shelter, the Premier said he was helping NGOs. He didn't answer the question, and what really concerned me was that he said that the most pressing need is for single parents and that's the one that's being addressed. I hope the Premier is not in some way trying to indicate that one need is greater than another numerically. The need for those youth at risk, even if there are fewer of them than there are single parents, is obviously a crucial and urgent need for the youth at risk and the people who love them. I'm very concerned when I hear the Premier saying that the need is greater elsewhere, as if tallying up numbers tells him that the need doesn't concern his government for youth at risk. It concerns the public and it concerns the members in the opposition. Don't tell young people at risk that they're less important, Mr. Chair. That's unacceptable.

As far as getting out and hearing from members of the public and stakeholders, that is what we do all the time.

Chair: Order please. Seeing the time, the Chair will rise and report progress.

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

Mr. Nordick: Mr. Speaker, Committee of the Whole has considered Bill No. 12, *Second Appropriation Act, 2008-09*, and directed me to report progress on it.

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

Some Hon. Members: Agreed.

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

The House adjourned at 5:31 p.m.