



# The Yukon Legislative Assembly

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Number 17

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26th Legislature

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## **HANSARD**

**Tuesday, April 15, 1986 — 1:30 p.m.**

Speaker: The Honourable Sam Johnston

# Yukon Legislative Assembly

SPEAKER — Honourable Sam Johnston, MLA, Campbell

DEPUTY SPEAKER — Art Webster, MLA, Klondike

## CABINET MINISTERS

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

## GOVERNMENT PRIVATE MEMBERS

### New Democratic Party

Sam Johnston	Campbell
Norma Kassl	Old Crow
Art Webster	Klondike

## OPPOSITION MEMBERS

### Progressive Conservative

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

### Liberal

Roger Coles	Liberal Leader Tatchun
James McLachlan	Faro

## LEGISLATIVE STAFF

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

<sup>01</sup> **Whitehorse, Yukon**  
**Tuesday, April 15, 1986 — 1:30 p.m.**

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

### Prayers

### DAILY ROUTINE

**Speaker:** We will now proceed with the Order Paper.  
 Are there any Introduction of Visitors?  
 Are there any Returns or Documents for Tabling?  
 Are there any Reports of Committees?  
 Are there any Petitions?

### PETITIONS

**Mr. Coles:** I have the pleasure of presenting a Petition today, with about 3,000 names on it, which, in effect, is asking the Government of the Yukon to change the structure of the Yukon Medical Council to have more laypeople on it than doctors.

**Speaker:** Introduction of Bills?  
 Are there any Notices of Motion for the Production of Papers?  
 Are there any Notices of Motion?  
 Are there any Statements by Ministers?

### MINISTERIAL STATEMENTS

#### Compensation for Victims of Crime

**Hon. Mr. Kimmerly:** The Department of Justice and the Workers' Compensation Board are stepping up efforts to make the public more aware of the compensation for the victims of crime program. An information pamphlet has been redesigned, which contains a tear-off brief application form. Two posters have been designed, one relating to family violence, child abuse and sexual abuse, and one relating to other compensable crimes. These pamphlets and posters are displayed in hospitals, police stations and other public institutions.

<sup>02</sup> The Board has met with self-help groups to explain the program and also to receive the views and concerns of the groups or individuals. The media have been most cooperative and there have been newspaper articles, as well as appearances on radio. Awards made by the Board have been released to the media.

As a result of the public awareness, the number of applications has increased during 1985-86. Twenty-five applications were received compared with three during 1984-85. The Board heard 12 applications during the last year: five assaults, four sexual assaults, one indecent assault and two robbery with violence; two applications were denied.

The total expenditure for awards amounted to \$85,645. The average award was \$8,564. Awards made under the Act are cost-shared between the Government of Canada and the Government of the Yukon. The contribution by the Government of Canada amounts to 75 percent of awards.

The government is committed to increased attention to victims by allocating resources to victims of crime rather than to perpetrators of crime.

**Speaker:** This brings us to the Question Period.

### QUESTION PERIOD

#### <sup>03</sup> Question re: Northern Canada Power Commission

**Mr. Phelps:** I have a question for the Government Leader. It has to do with the issue of the gas generator that is apparently being purchased by the Northern Canada Power Commission from Curragh Resources. Did the Government of Yukon, at any time, recommend that Curragh be given financial assistance by the purchase of the generator, using NCPC as a vehicle?

**Hon. Mr. Penikett:** I do not intend to get into a detailed discussion about all the give and take between this government and the federal government with respect to this matter. We made a large number of suggestions to the federal government with respect to reopening the mine; some of them the federal government respected, some they did not.

As the Member knows, there was an outstanding legal issue concerning that particular gas turbine between Cyprus Anvil and NCPC. It was necessary to resolve that issue in order to reopen the mine. As part of the cash-for-assets principle, which we proposed and Mr. Crombie found agreeable, the idea of the federal government making this contribution towards the reopening by financing the purchase, through NCPC, of this disputed asset was something the federal government saw fit to do.

**Mr. Phelps:** If the Government of Yukon proposed this purchase, did it have any observations to make about the price of the asset?

**Hon. Mr. Penikett:** I am sure the Member opposite may know that the original disputed price was \$7 million. As part of the total financial package to reopen the mine, that number was used in the calculations in putting together a total package.

I want to make it clear to the Member opposite that it was this government's view that should the federal government see fit to proceed with that element of the package, then, of course, it was their contribution to the deal. It was made very clear to the federal government, from the outset, that no cost, as a consequence of this arrangement, should fall to the Yukon taxpayers.

<sup>04</sup> **Mr. Phelps:** Can the Government Leader advise whether or not it has a commitment in writing from the federal government that the cost of acquiring this very costly generator will not be paid by the Yukon consumers?

**Hon. Mr. Penikett:** As the Member may know, because we are now in the process of negotiating with the federal government for the transfer of NCPC, we have again been provided with an opportunity to reiterate our view, which was made many times, personally by myself to Crombie and to others, that this was not to be something the cost of which was to be passed on to the consumers of the Yukon Territory.

I cannot say if the language in exactly those words is covered in the master agreement, but our position is made absolutely clear.

#### Question re: Northern Canada Power Commission

**Mr. Phelps:** We have already heard from the Minister of Justice about this government being so dependent not on written agreements or contracts, but on the continuing good relationship they enjoy with Curragh. We have also heard that one of the higher officials in the Curragh organization, Mr. Sultan, said that when they went to buy the assets from Dome, they viewed the gas generator as a gem sitting on the table.

Did this government discuss the lawsuit between NCPC and Cyprus Anvil-Dome prior to Curragh purchasing the gas generator?

**Hon. Mr. Penikett:** We were aware of the lawsuit. I must emphasize that having made the broad proposals at the outset, and being involved continually in the discussions, the actual arrangements and negotiations with respect to power, generators, and so forth, were between the federal government, NCPC and the other principals: Curragh, Cyprus Anvil and Dome.

We were not part of every particular in the complicated negotiations for reopening this mine. We did not involve ourselves in some of the relationships, for example, such as the relationship between Dome and Curragh. The matter of the gas turbine was, in the end, a matter between the federal government and the companies.

<sup>05</sup> **Mr. Phelps:** It would appear obvious from the recent news reports that Curragh viewed this gas generator as an asset that they would very much like to have because they felt that they could get such a huge price for it in the end result. Our concern has to do with the consumer in Yukon. Would the Government Leader be prepared to table any documentation, including any excerpt from the so-called master agreement, that gives the consumer any protection with regard to this huge amount being paid for a non-useful asset?

**Hon. Mr. Penikett:** The asset may or may not have some use

or potential use in Faro or for the mine. It is clear that it has no particular use for the consumers of the Yukon Territory. It has been made very clear to me, from the beginning, that no regulatory body would permit it to be added to the rate base for that reason. I will take this specific question under notice and see if I can bring back some indication and documentation of the government's position back for the Member. Let me make it absolutely clear to the Member again that it is our view that this transaction was part of the federal contribution to the reopening of the mine, and it has been our view from the beginning that it is not something that should result in a cost to the Yukon power consumers.

**Mr. Phelps:** Something in the government view often does not seem to be what actually is the situation with regard to legalities, contracts, and the closing of contracts. I reiterate my concern. Will the Government Leader table any written documentation that pertains to this issue in this House?

**Hon. Mr. Penikett:** I said that I would take the question under notice. I will examine what documents may be pertinent. I will find out whether they are privileged in any way, and I will come back to the Member with an answer, as I promised a moment ago.

**Question re: Pelly Farm Road upgrading**

**Mr. Coles:** I have a question for the Minister of Community and Transportation Services. Has the Minister had time to consider the letter that I wrote him last week concerning the upgrading of the Pelly Farm Road?

**Hon. Mr. McDonald:** I have read the letter, and I have asked the Department of Community and Transportation Services to assess a number of things with respect to that letter so that a decision might be made in an informed way. Included in the request for backup administration was an assessment of the number of people who use the road, the claims the Member made with respect to use by trappers, foresters, or woodcutters on the road, and the cost of actually maintaining the road on a year-round basis and what upgrading would be required. That sort of thing takes time, and I am committed to getting back to the Member with a firm answer with respect to whether or not we can maintain the road in the near future, or in the long term.

**Mr. Coles:** Is there a possibility that the Minister's department could open the road this spring to let some of the mining exploration companies in a little earlier?

**Hon. Mr. McDonald:** There is a policy of the government to maintain only those roads on a particular schedule. The O&M budget of the department is based on what it would take to maintain the roads in that schedule. The Pelly Farm Road is 25 miles or so in length. I would expect that there would be a cost associated with opening the road. It was my understanding that there was a desire to maintain the road in the winter time, all year round, and less of an emphasis on opening the road up for mining exploration. I will take the Member's representation under advisement and treat it in the same way that we are treating the request to open the Clear Creek Road.

**Mr. Coles:** There are seven industries that depend on that road right now. One of them is the forest industry, which creates 30 part-time jobs each summer. The only reason they are not full-time jobs is because there is no road maintenance in the winter.

The forestry and mining industries have written to me, as well, to make personal representations to ask if there is any way at all that that road could be included in the schedule this spring and possibly get it open a month or two earlier.

**Hon. Mr. McDonald:** I believe that most of the roads that were to be opened in advance of the muddy season have been opened. There is currently encouragement to mining companies to use the roads while the road base is frozen. In order to move quickly to obtain funding for the opening of the road, I do not think we will be able to maintain the kind of speed that the Member expects.

I will take the Member's representation under advisement and do what we can, given time restraints.

**Question re: Northern Canada Power Commission**

**Mr. Phelps:** The Government Leader has said that the Government of Yukon did suggest the purchase of the gas generator by

NCPC to the federal government at one time or another. Did the Government of the Yukon suggest the granting of an especially low wholesale power rate to Curragh at any time?

**Hon. Mr. Penikett:** I believe the suggestions about the level of the power rate required to make the mine economic came from Curragh Resources, not from us. We may have done some rough assessment of the accuracy of the projections, I do not know. I do know that, in the end, notwithstanding the fact that we are negotiating the transfer of NCPC, the rate was set without substantial consultation with us.

**Mr. Phelps:** Does the government have anything in writing, an agreement or commitment, that will ensure that the consumers of the territory will not be paying for subsidization of cheap electrical power to Curragh?

**Hon. Mr. Penikett:** The Member should understand that, in negotiating to reopen the mine, we were not negotiating the power rates for the whole Yukon Territory. Those are done by application to certain public bodies. We did, however, reiterate from the beginning that no costs, as a result of the agreements with respect to energy dimension of the Curragh deal, should be passed on to the power consumers of the Yukon Territory.

**Mr. Phelps:** At present, the legal situation is that, under the *Northern Canada Power Commission Act*, consumers pay the capital costs associated with the generation of power in the Yukon Territory. Can this government table anything in writing that serves as protection to the consumer vis-a-vis the special power rate being given and sold to Curragh Resources?

**Hon. Mr. Penikett:** The Member's general question and the general observation is correct. He did leave aside the fact that the federal government has, in recent time, written off certain interest charges; for example, the fourth wheel.

The Member well knows that NCPC, in order to establish rates, has to make application to a certain public body, and there are hearings.

I told the Member, in answer to two previous questions, that I would examine the documents to see whether there was something pertinent and not subject to privilege that I could make available to the House in order to give him the comfort that he seeks. In any case, many of these questions will be joined again, as the Member knows, as we are in negotiations for the transfer of NCPC.

**Question re: Northern Canada Power Commission**

**Mr. Phelps:** The transfer of NCPC seems to be drawn across the whole present situation as a red herring. There is nothing that says that deal must go through on terms dictated by either government. Of course it is a contractual arrangement that will come to pass, or not be agreed upon in the future. So I would simply like to state our concerns as clearly as possible. At present, it seems that the consumers of Yukon are exposed. Could the Government Leader advise this House of any kind of comfort that consumers might have by way of protection negotiated by his government?

**Hon. Mr. Penikett:** The Members on this side of the House are sensitive to the concern now being articulated by the Member from the outset. We had a very urgent priority before us in negotiating to reopen the mine. From the beginning, we made it clear that whatever arrangements the federal government and NCPC reached with the company that was opening the mine, that it should not result in an increased power bill for Yukon consumers. We made that clear.

Now the Member opposite has raised fears with respect to the safety on the Klondike Highway. Safety concerns we had. Now he has fears, which we believe are unfounded, with respect to the protection on mortgage documents. He is now raising fears with respect to whether we have been serving the public interest regarding the energy question. I hope we will be able to put those fears to rest. With respect to the energy matter, it is my intention to search the considerable documentation on this matter, as I said, and report back to this House.

**Mr. Phelps:** I thank the Government Leader for that commitment. In considering the propriety of tabling any written documentation that might give comfort to consumers in the Yukon,

would he also consider the tabling of specific clauses without the rest of the agreement, if there is something of a different nature or a different subject in the given agreement that would make one of the parties prefer the agreement to be not tabled?

In other words, if there is a clause or anything in the agreement that can give us comfort on this issue, we would like to see it tabled.

**Hon. Mr. Penikett:** Let me emphasize again that the arrangements, with respect to power and power company assets, were between the federal Crown corporation, the federal government and the company involved. I do not believe that we are at liberty to release documents that may be available from those companies.

The Member, however, is seeking assurances that this government has made clear, from the beginning, that the Yukon consumer should not bear the cost of this. I will bring back, if I can find relevant documents, documents that assert that. Let me emphasize again that our view, from the beginning, was that this part of the package to open the Faro mine, was part of the federal contribution. It is not a contribution by the people of the Yukon, by the power consumers of the Yukon or the Government of the Yukon. It was part of the federal contribution to the reopening.

#### Question re: Curragh coal

**Mr. Lang:** I have a question in relation to energy. It has to do with the delivering of coal to the Faro mill site for running the operation. In an article in the *Yukon News* on April 11, some concerns were expressed regarding the procedures that were undergone in the tendering process for the provision of coal. I understand that written representation has been made to the Minister that tendering procedures were undergone by Curragh Resources. At the same time, it would appear — and I want to have it confirmed or denied by the Government Leader — that negotiations took place after prices were put in, and some people were not notified of the outcome.

Is the Government Leader aware of the situation? If he is, has he checked into it? If he has, in his judgement, has it been done fairly?

**Hon. Mr. Penikett:** I am generally aware of the situation, although I have not received any representation, personally, such as described by the Member. What I know about the situation is this: that Curragh was looking for someone to supply coal. I believe they had something like 15 different proposals. In the end, for whatever reasons, they made a choice. There is a Whitehorse-based company that they have concluded an arrangement with.

Another local company has since come to us. They feel that they were not given fair consideration. At the moment, we are asking the questions that the Member would ask of Curragh. We have not yet received a response.

**Mr. Lang:** I take it that the Member is going to get back to me on the subject. When the Minister checks into it, is it consistent with the management agreement that is presently being negotiated with Curragh? Does it fit within the parameters set down within those negotiations?

**Hon. Mr. Penikett:** Yes. I think, in a general way, this is the kind of thing that ought to be contemplated in such an agreement. I will report back to the Member as he has requested.

I ought to say, in fairness, that I met for several hours with Mr. Frame during his recent visit to Whitehorse. One of the things that he wanted to emphasize with me was that, in many commercial transactions, tendering is not the only way that a company might show that it is in the market for certain goods or certain services. He gave me some examples where that was not appropriate nor efficient. Nonetheless, obviously this government wants to reiterate, because we want to maximize local business opportunities, that business people must be able to get a fair kick at whatever opportunities there are, and that requires public knowledge that the opportunities are available.

**Mr. Lang:** The reason I am asking these questions, and I sure the Minister can agree with me, is because the government has a major commitment, financially and politically, in this mine. I think it justifies questions being asked in this area.

My supplementary question is on the same subject. It has come to my attention that the coal reserves that they were looking at were

discarded as a possibility by Cyprus Anvil previously because of the grade of coal. Would the Minister check into that statement as well? I think it does have a bearing on the utilization of that resource. The other element, of course, is that the other coal site that is available close to the Whitehorse area may be in the better interest of the territory to provide a base for a large coal mine to begin to operate and, perhaps, export that commodity.

**Hon. Mr. Penikett:** The Member made several points and had a couple of questions. We wholeheartedly agree that the Yukon taxpayers, having made a substantial contribution to reopening the mine, are entitled to the best shot they can get for the jobs and the business opportunities. That is what we are trying to negotiate; the specifics of giving expression to that ideal.

I cannot answer the question competently as to whether there were burn tests done on the two sites, and what evaluation was done on them. I would be fairly certain, though, that the company's view in the end, with respect to whether they used one source of coal or another source of coal, would be based entirely on the economic factor. I will check into the question for the Member and get back to him.

The suggestion that there may be greater territorial benefits in one site rather than the other may be true, but I am not sure that we have that much leverage on the question that we could say to the company that, notwithstanding the cost to you, we prefer that you use this site rather than the other one.

10

#### Question re: Yukon Mineral Recovery Program

**Mr. McLachlan:** My question is for the Minister of Mines and Small Business with regard to the Yukon Mineral Recovery Program. As I recollect the situation last October, when the Curragh deal was being concluded, the Minister said that although given the facts that there was only one deal being negotiated at the time and a sense of urgency for only one applicant that the federal government was prepared to leave the door open for other considerations. Is that a fair analysis of the situation last October?

**Hon. Mr. Penikett:** Our view, at the time, was that even though in some sense we had a specific program, the program would exist even though it might not be funded, and should that other proposal come along of the same magnitude or of a magnitude that would qualify, we might be able to make representations to the federal government. Given the current financial climate in Ottawa and given the deficit situation, I would not be Pollyanna-ish about the federal government finding large sums of money like that with great frequency. As long as the program exists, I think there is an ability and a prospect of negotiating and, as we do with many other federal-territorial arrangements, it is possible — in some sense hypothetical — that we could have negotiations under that program that might involve a different kind of sharing between the federal and territorial governments. I really do not think we can speculate too rationally about that until such time as we have a situation that requires us looking at the situation.

**Mr. McLachlan:** Can the Minister advise if it was left on the table in such a way that the federal government would be prepared to look at only those that created 100 or more jobs? Was that a rigid condition of where the discussion was left?

**Hon. Mr. Penikett:** Those are the program criteria, such as they are. But within that, as I told the Member earlier, even for people to meet those qualifications a contribution agreement must be negotiated, so those are minimal conditions under that program as it is presently structured.

**Mr. McLachlan:** I asked the question because, as the Government Leader is no doubt aware, there are a number of smaller mineral deposits, some of which I can think of in the Wheaton River Valley area that simply because of the size of their ore body and because of the cash flow projections that will be needed to put the place in operation or keep it onstream, will not be able to negotiate to provide 100 or more jobs, but they could provide 50 or 60. It is my intention to ask the Minister if he could look at developing those projects which have as much or an equal opportunity for the benefit of the Yukon's economy as a bigger one would if we look at them on a down-sized scale, say 50 or 60 jobs, for \$1.5 or \$1.6 million.

**Hon. Mr. Penikett:** I think the Member should appreciate that the program we are talking about here is for major mines. The other programs, and we have a group of them now under this department, ranging from the Prospectors Assistance Program through the Exploration Incentives Program to the Resource Roads Program — which was developed in this department but implemented through Community and Transportation Services — are available for the full range of people involved in the mining industry, from the prospector by him or herself out in the bush to the junior mining company that is just doing some exploration work and developing the property, to the Resource Roads Program, which, with development agreements such as we have talked about with Canamax, is available to them. Now it is quite possible that by the time a mine such as that comes into production that quite a considerable commitment of public resources will have been made to the property. Because that is kind of a transitional stage from exploration to development and into production, we will still be seeking the same type of agreements with such a company for jobs and business opportunities as we will with the major companies.

**Response re: Health services devolution**

**Hon. Mrs. Joe:** In response to a question yesterday by the Member for Riverdale South regarding the tabling in this House of correspondence from the hon. Jake Epp, it is my intention not to table that correspondence at this time. I feel that any correspondence I do have with him with regard to the House transfer should be kept confidential while negotiations are going on.

It appears that the Member does have some correspondence and I would hope that the correspondence is not coming from my department. I would hope that it would not be something that would continue to happen. At this point in time the correspondence I have with Mr. Epp will be confidential. With regard to the government's position on the transfer relating to land claims, the Government Leader will answer that question.

**Mrs. Firth:** I did get the feeling that the Minister is in some way implying that I have some correspondence. I believe I said to the Minister very clearly yesterday that I understood she had corresponded. If she is accusing me of having confidential information then she would have to be very specific about that.

I simply said to the Minister that I understood certain positions had been put forward and asked if she was prepared to clarify them.

I look forward to the Government Leader's response regarding the government's position between the relationship of land claims and the health transfer.

**Hon. Mr. Penikett:** I hope I will be able to respond in more detail in the coming weeks and months as the session goes on. I would like to recap the current situation for the Member, from my point of view as Minister responsible for Intergovernmental Relations.

As the Member will know, as a professional in the field, previous efforts to transfer floundered as a result of both native opposition and staff opposition. The Member will recall that not only was there a substantial legal question about native health services but there was also considerable concern among professionals in the field about their career, mobility, benefits and complicated questions regarding the different bargaining units to which they belong.

It is also complicated by Section 91.24 of the *Canada Act* recognizing federal responsibility for Indians and enshrining aboriginal rights. Some arguments about self-government, and some statements in the Penner Report, have led to further complications of the situation as perceived by Indian people with respect to the federal responsibilities to them in this areas.

These matters are, as I think my colleague, the Minister of Health and Human Resources, said, being dealt with within the Yukon government by a Program Devolution Committee that is examining government options and recommends priorities to the Cabinet. The actual working between the federal officials and the territorial officials in the government is carried on by the federal health officials and the officials of the Department of Health and Human Resources here.

As we get into financial questions and personnel questions, the Program Devolution Committee, which has representation from the

Finance and Public Service Commission, gets involved in the particulars. The position of the Yukon government has been that no health program transfer will take place without consultation with the Yukon's Indian people.

This government has also opposed unilateral cuts in federal health programs and the contracting out of programs by the federal government that would have the effect of diminishing the level of health services to the people of the Yukon in advance of a transfer.

I cannot report back yet, but I hope to shortly, as to exactly where the transfer of health services places in the government's hierarchy of priorities in this area. It is high, and it is very high for the federal Minister of Health.

<sup>12</sup> It is not number one. The NCPC transfer is number one on our plate right now.

**Question re: International Relations Committee**

**Mrs. Firth:** Yesterday I asked the Government Leader why he did not make a public presentation to the Special Joint Committee on Canada's International Relations. I am quoting from *Hansard*, April 14, page 286, "There are several reasons. The most important one is that we did not receive notice of the Committee coming here."

My information tells me that the \$4,900 contract to the former Executive Assistant of Health and Human Resources to do specific research and gathering of information regarding issues for the Special Joint Committee on Canada's International Relations was tendered for February 5, and was to be completed by March 12, which was in time to make a presentation.

Could the Government Leader tell us why he did not make a presentation with that information?

**Hon. Mr. Penikett:** Because the report was not received and translated by Cabinet into a Cabinet position in time.

On many occasions, when we are making substantial representations from this government to some other government, or a conference like the First Ministers Conference, or other ministerial conferences, the Member knows the considerable amount of lead time required, especially if we are developing positions in areas where the government has not previously stated any positions.

As I said to the Member yesterday, we are going to use the work that was done under that contract to make formal representations to the federal government, in terms of some of the specifics that were discussed that evening when the Committee met here with our Members. As well, I expect that we shall be following up in writing with some detailed presentations to Mr. Hawkin and his colleagues on some of those important questions.

**Mrs. Firth:** Could the Government Leader tell us whether the Cabinet has received it now, and has it made a decision regarding the government's position?

**Hon. Mr. Penikett:** I do not want to betray any Cabinet secrets because I get into trouble for doing that, but yes, we have received it. Yes, we have discussed it. If the Member is going to ask me if we have accepted all the specific proposals, I will have to leave the Member to conjecture from the fact that we have the research report. We will be going forward from that to make the formal brief that goes from Cabinet to the federal government. I am afraid that I am not going to share with the Member how much resemblance there is between the research and the final position.

**Mrs. Firth:** I was not asking for that. We were not asking what the decision was. We simply wanted to know, had the government received the information; had they made a decision? When the paper goes forward to the Committee, is that position going to be made public?

**Hon. Mr. Penikett:** Yes. Let me just clarify for the Member, because I do not want to appear as though I am being difficult. There are some issues that are not complex or controversial at all. A lot of work has been done by the government previously. A lot of work had been done by this administration and the previous administration on some renewable resource questions. There are other fields where the policy work and research had not been done before, and Cabinet would want to dwell on those things a little more carefully.

**Speaker:** The time for Question Period has now elapsed.

**Hon. Mr. Porter:** Pursuant to Standing Order No. 13, I would like to give the House notice that the motion for concurrence in the Seventh Report of the Standing Committee on Public Accounts will be called as government business Thursday, April 17, 1986.

**Speaker:** We will now proceed with Orders of the Day.

## ORDERS OF THE DAY

### GOVERNMENT BILLS

#### Bill No. 77: Second Reading

**Clerk:** Second reading Bill No. 77 standing in the name of Mr. Kimmerly.

**Hon. Mr. Kimmerly:** I move that Bill no. 77, entitled *Lottery Licensing Act*, be now read a second time.

**Speaker:** It has been moved by the hon. Minister of Justice that Bill No. 77, entitled *Lottery Licensing Act*, now be read a second time.

**Hon. Mr. Kimmerly:** This act will establish the Yukon Lottery Licensing Board. The board will be the territorial authority for licensing lotteries, raffles,ingos and casinos, et cetera, pursuant to the *Criminal Code of Canada*, specifically Section 190 of the *Criminal Code of Canada*. The board will be assisted in its functions by the clerical assistance of the Consumer Services section of the Department of Justice.

The procedure will be that applications will be received from various organizations. There will be a clerical checking of these applications, and the applications of these licences will be prepared to go before the board. If the board is concerned about the applicability of the particular application or the sponsoring group or the proposal for the proceeds, then the board will make a decision as to whether or not a licence should be granted pursuant to Section 190 of the *Criminal Code*.

Presently, this function is carried out as an administrative function by the executive arm of government. It is our intention to maximize the citizen involvement, indeed the democracy of the situation, by establishing a citizens' board. It has come to our attention, as a government, that in the past there has been what can be characterized as political influence on this administrative procedure. It is our view that this political dimension is inappropriate, and that the licensing decisions should be made independently by an independent board.

We have modelled this legislation almost completely on the situation that currently exists in the Province of Alberta. It is recognized across Canada that the administration of lotteries and gaming in Alberta is the best in the land. We are following their particular model.

**Mr. Phelps:** We will be supporting the Bill in principle. It is interesting to hear the Minister of Justice talk about the principle that the board should be independent from political interference. That, unfortunately, was not the case last summer with the Yukon Native Courtworkers, which is an independent society. Perhaps the Minister is learning.

We point out two areas of concern with the Bill. The first has to do with the fact that there are no provisions for the appeal of board decisions. We will be discussing that in Committee of the Whole. The other issue has to do with the broad nature of the proposed regulations — something that we are rather surprised to find in the Bill, given the stated position of the Minister many times in the past when he was on the opposite side of the House. I understand it is fairly normal practice in this House, so we would ask the Minister to provide us with any draft regulations that will be available at the time it does come up for discussion in Committee of the Whole, so that we can analyze the intention of the regulations and of the Bill itself.

**Hon. Mr. Kimmerly:** As I am the mover of the motion, I will close debate if I speak, I believe.

**Speaker:** It is my duty to advise the Assembly that the hon. Member is about to exercise his right to close debate, and afterwards all Members will be precluded from speaking to this question; therefore, any Members wishing to speak should do so now.

**Hon. Mr. Kimmerly:** Just briefly, the two areas of concern are legitimate areas of concern. In concept, it is my information that an appeal to the court, if an appeal to a court is contemplated, would be possible under this legislation. It is not necessary to specifically spell out an appeal to a court. However, to be absolutely clear, the present government position is that there should be no appeal to the board a second time, or to the Minister, but there could be an appeal to the court. If it is deemed in the Committee stage that a specific section is appropriate, we have no objection in principle to that.

<sup>15</sup> Regarding the regulations, there are no new regulations written, as I understand it, but the new regulations would closely follow the existing ones and are limited, in any event, substantially by the powers in the *Criminal Code*. I will do my best to prepare and present the proposed regulations. Certainly when they are ready, we will make no secret of them.

*Motion agreed to*

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

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

*Motion agreed to*

### COMMITTEE OF THE WHOLE

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

*Recess*

<sup>16</sup> **Chairman:** I will call Committee of the Whole back to order. We will continue with the line item Systems and Computing Services, the Department of Government Services.

#### Bill No. 17 — *Fourth Appropriation Act, 1985-86* — continued

**Mr. Lang:** I put the Minister on notice that I intend to scrutinize the information that was tabled here a couple of weeks ago. My understanding is that the purchase of the infamous Taylor Street residence was included in this budget. Where would it be?

**Hon. Mr. Kimmerly:** In the Department of Health and Human Resources, under Young Offenders, I believe. In answer to the question raised yesterday about the vacancies, as of this moment there are two: a project manager and a systems analyst. They are not long-standing vacancies, but recent ones.

**Mr. Lang:** Just an observation and then I will leave this unless somebody has any questions. First of all, I want to commend the government, primarily the civil service, with respect to the course that has been put on for computers. My information, from anyone who has taken it, is that it is a very good course and I gather, because of the content of the course, could conceivably be better than the one offered by UBC, perhaps because of the time permitted on the computers.

I wanted to raise a point with the Minister and am not looking for a reply. It is something he could perhaps follow up on. The observation was made to me that there is some difficulty as to how the graduates of this course apply and get jobs within the YTG, which, of course, is the purpose of the program in the first place. I want to raise that as a concern with the Minister. If he has any comments I would like to hear them. I want him to take that as notice and maybe follow up and see exactly what the situation is. I do think it is a good program and works well in conjunction with the government.

**Hon. Mr. Kimmerly:** I appreciate the comment and have the same concern. There are two concerns. One is that the number of

graduates from the Yukon College course far exceed the number of vacancies in the department. It is a concern that I have raised with the civil service, and we are doing everything we can in the policy context to both gear the course to train future employees and gear the jobs to accept the course graduates. That is a legitimate concern that I would expect would be shared by all Members of the House.

<sup>17</sup> *Systems and Computing Services in the amount of a reduction of \$301,000 agreed to*

*On Supply Services*

**Hon. Mr. Kimmerly:** This is a collection of things. It is an over-expenditure due to the Job Evaluation Study, the signing bonus, the postage increase, which is both a volume increase and the increase in postage rates, which was not originally budgetted. The cost for the *Gazette* and *Hansard* was more than budgetted, and the vehicle repairs and the cost of various supplies was slightly more in each case.

**Chairman:** Can you provide the amounts for each of those over-expenditures?

**Hon. Mr. Kimmerly:** Yes. The JES was \$7,000; signing bonus, \$51,000; postage, \$77,000; the *Gazette* and *Hansard*, \$22,000; the copying, that is the rental of machines, an additional \$24,000; repair and maintenance of the pool fleet, \$23,000; and supplies, \$11,000.

If Members are keeping an addition, attractive assets is one, which adds up to \$203,000.

**Mr. Lang:** I just want to raise a question regarding copying. I want to alert the Minister that the copier that we are presently using is working overtime. It has done a good job, but I think it is starting to wear. There may be a request forthcoming with respect to a replacement. I want to make the necessary representation, and I am sure it only has to be said once, that priority should be given to the legislative body, as far as being able to get letters out to our constituents and things of this kind.

<sup>18</sup> **Hon. Mr. Kimmerly:** That concern is noted.

**Mr. Lang:** The postage increase of \$77,000 is a lot of money. Is it because of the increase in postage by the Government of Canada or is it an increase in mailing?

**Hon. Mr. Kimmerly:** It is both. It is also reflective of the fact that the department asked for more money than the Management Board of the day, of the previous government, allocated. The postage rate increase is the lion's share of it.

*Supply Services in the amount of \$161,000 agreed to*

*On Public Works*

**Hon. Mr. Kimmerly:** I will give the amounts in the categories again. The Job Evaluation Study costs were \$5,000. The signing bonuses were \$28,000. The severance pay in the branch was \$37,000. The use of casuals was \$122,000. Travel is a decrease of \$22,000. Leased construction equipment is a decrease of \$2,000. Repairs and maintenance covers a painting contract and was an increase of \$1,000. Supply and services, which was supplies for a number of construction contracts, was an increase of \$78,000. Attractive assets was a decrease of \$181,000. We had voted \$188,000 and only spent \$7,000.

Chargebacks, which was a painting contract, was a decrease that amounts to an increase under the budget. We had budgetted to charge back \$33,000 on a painting contract and charged back only \$19,000.

<sup>19</sup> **Mr. Lang:** I am a little confused on the chargeback from the painting. I do not understand it. Is that a case where painters in Government Services did work for some department and were reimbursed? Is that correct?

**Hon. Mr. Kimmerly:** Exactly.

**Mr. Lang:** Can you tell us the reason for the significant increase for casuals, \$122,000?

**Hon. Mr. Kimmerly:** Not specifically. They were used on a long list of projects. The Capital Budget and the Capital Supps had increased very substantially over previous years, as all Members know. These were casuals involved in construction projects on capital works. It is a result of the substantially increased volume of construction.

*Public Works in the amount of \$80,000 agreed to*

*On Contingency*

**Hon. Mr. Kimmerly:** This is a figure established by Finance as an appropriate amount to account for things like adjustments to contracts and possible disputes over contracts. It has been explained in principle in the other departments. Finance considered that this amount was appropriate, and I had no influence over the number.

**Mr. Lang:** I just want to throw in a comment here. The Department of Justice has a \$145,000 contingency, and the Department of Government Services has a \$50,000 contingency. Who gets fired in this case, in view of the comments of the Minister of Finance last night?

**Hon. Mr. Kimmerly:** There are more non-discretionary expenses in Justice than here. For example, Legal Aid and the Department of Government Services has a \$13 million Andrew Philipson Law Centre.

*Contingency in the amount of \$50,000 agreed to*  
*Total Operation and Maintenance in the amount of \$193,000 agreed to*

*On Capital Expenditures*

*On Pooled Road Equipment*

**Hon. Mr. Kimmerly:** This was actually a transfer of the money from Computers, which is the next line, where we are turning money back. It was spent to buy a vehicle to transport prisoners for the Correctional Centre.

**Mr. Lang:** I have some questions on the furniture and office equipment. Is that out of order?

**Chairman:** We will deal with this and then go back.

**Mr. Lang:** On pooled road equipment, I want to ask an overall question about overall government policy. I recall last July that we had evidence of a new government with cars being painted blue with the Yukon decal and going in disguise for Health and Human Resources to do their responsibilities and carry out their duties without appearing to be encroaching on the clientel they have to deal with. Are there any other plans as far as the painting of vehicles, and if there are, is it included in this budget? Perhaps he could elaborate in that particular area.

**Hon. Mr. Kimmerly:** There is nothing in this budget and there are no other plans with the exception of after that debate we decided to take the Yukon wordmark off the door on some vehicles, but we are not going to a specific expense to do that. It will occur over time.

**Mr. Lang:** Then do I take it the policy of the government is to have them a blue colour, or whatever colour it might be, and there will not be any decal or insignia of the Government of the Yukon Territory to show that it is public property as opposed to private property.

**Hon. Mr. Kimmerly:** No, there is no policy concerning the blue colour. It so happened that the blue colour was chosen for many of the first vehicles which were painted but they may be various colours and it is our intention when we buy a new vehicle to use the factory colour and not paint them at all. There will be an identification of some cars by probably the license plate that will match the credit card that goes along with them for gas and oil and the like. The policy of the government, in general terms, is unchanged from the last debate. We are providing for some vehicles that are not painted a distinctive colour and they are for the use of the social workers. Workers' Compensation Board has one, the Liquor Corporation has one, as do the sheriff and the probation officers.

**Mr. Lang:** Are only a certain number of vehicles to remain unmarked and the remainder will stay the black and orange colour that the Government of the Yukon Territory adopted decades ago?

<sup>21</sup> **Mr. Lang:** From the O&M side of the budget, could you provide me with a list of those vehicles, the number of vehicles and to what positions those unmarked vehicles are available?

**Hon. Mr. Kimmerly:** I have already done that with the exception of the specific number of vehicles, but I can provide that. I have identified the positions and the departments. They are again, Workers' Compensation Board, the Liquor Board, the sheriff, the juvenile probation officers, the adult probation officers and social workers.

**Mr. Lang:** Is there any consideration given under this particular item for contracting out some of the maintenance of the vehicles primarily where there are warranties for new vehicles as opposed to the government doing it themselves? If it is, is it reflected in this budget?

**Hon. Mr. Kimmerly:** There is no change and no proposed change



from the previous government's policy, which was to take advantage of the warranties by use of the private sector and, aside from that, to get the repairs done in the shop controlled by the Department of Highways at an outrageous chargeback rate.

**Mr. Lang:** I think that is a valid observation. It is one that all Ministers of Government Services wrestle with. It is an area that will come under scrutiny in the Mains or this coming fall. I would just like to alert the Minister and his colleague that perhaps they should see if there is an answer to a long outstanding problem.

*Contingency in the amount of \$50,000 agreed to  
On Furniture and Office Equipment*

**Hon. Mr. Kimmerly:** There is no change at all here. The Member may want to debate the locally manufactured furniture issue. I would welcome that debate. I would recommend that it occur in the Mains. The present status of that tender is that the tenders have been open and have been analyzed. A decision has not been made.

A further analysis is being conducted in-house. It involves both this department and the Department of Government Services as to the identifiable person-years of employment benefits. The decision is imminent. It should occur prior to the debate on the Mains.

**Mr. Lang:** I stand by the Minister on that, and I will heed his request that the debate be delayed until then.

A significant contract has been opened. Has there been \$500,000 worth of furniture purchased prior to the opening of this tender, or are we going to see a major lapse of funds in this area? If the Minister does have any projections, I would like to hear them.

**Hon. Mr. Kimmerly:** There will not be a significant lapse of funds. The present projections are very close to the budgetted amount of \$500,000.

**Mr. Lang:** I take it this new tender that he refers to and that decisions have to be made from, will be taken out of the 1986-87 Main Estimates for capital expenditures. Is that correct?

*On Computer/Word Processing Equipment and Systems Development*

**Hon. Mr. Kimmerly:** Yes, the 1986-87 Capital.  
**Mrs. Firth:** Is the Minister intending to take any new direction in the Queen's Printer? Are there any plans for any purchases of new kinds of equipment, or the development of new kinds of programs?

**Hon. Mr. Kimmerly:** That is certainly not contemplated by this budget. There is no supplementary in this area whatsoever.

*On Computer/Word Processing Equipment and Systems Development*

**Hon. Mr. Kimmerly:** It may be possible to get a detailed itemization, but I do not have it. The reason is that this is a pooled budget, if you will, that involves the system's development for approximately 30 projects. They are mostly in progress, and this is the best estimate as to where we will end up at the end of the year.

**Mr. Lang:** Did all the programs or projects that were outlined to us in the last debate on this particular subject get underway? If so, are they going to be completed by March 31, or whenever the timeframe comes to an end?

**Hon. Mr. Kimmerly:** It is after March 31 now, so it is possible to be exact. I will get a list and supply it. It is my understanding that all of the projects approved by the Systems Priorities Committee, and subsequently approved by the Management Board, are completed or are underway. I will make a list of the specifics of all of them and send it over.

**Mr. Lang:** You can save that for the Main Estimates, if you wish, because we are going to have further things to debate on that. Perhaps the Minister could give us a forecast of what the department deems to be seeing as expenditures in the next three years in this particular area. It is a pet peeve area of mine, when I see so much money being spent. I really have to wonder at times whether or not we are getting the results in "efficiency" within the bureaucracy and within government and without government for the dollars being expended. I would appreciate it if he could provide me with that kind of an estimate, just to give us an idea of what we are talking about.

*Computer/Word Processing Equipment and Systems Development  
in the amount of a reduction of \$357,000 agreed to*

*On Miscellaneous and Minor Projects*

**Hon. Mr. Kimmerly:** This is where the Touche Ross Space

Study comes in. The study cost us \$55,000 in the year under discussion, and probably \$10,000 more in the next year, 1986-87. The reason for the figure of \$25,000 is that we found other money in the budget or we purposely stayed as close as possible to the budget and delayed a list of very minor projects.

**Mr. Lang:** What is minor to you or to me may be very important to someone in the construction business or small contracting. Of the \$250,000 or \$275,000 we are dealing with, was this money in most part contracted out? If some was not I would like to know in which particular areas, and if they were done in-house and was there a charge back to Government Services for work by the personnel and strictly capital on this side of the budget for materials?

**Hon. Mr. Kimmerly:** I do not have the answer. I will get it and supply it, but I can say that there was no change whatsoever in the policy of the department after the change of the government in that activity.

**Mr. Lang:** When he does get the breakdown, I would like a list of \$10,000 projects undertaken.

**Hon. Mr. Kimmerly:** Yes.

**Mrs. Firth:** Could we go back to the space study for a minute and ask the Minister when we could expect to have that completed?

**Hon. Mr. Kimmerly:** It was completed last Friday and will be presented to the Management Board this month.

**Mrs. Firth:** My colleague from Porter Creek East is just saying it is going to be made public and that was my next question.

**Mr. Lang:** I can hardly wait to ask this question. Maybe I have to wait until I see the report. Was it worth \$65,000?

**Hon. Mr. Kimmerly:** After I read it I will make an assessment and tell the Member.

*Miscellaneous and Minor Projects in the amount of \$25,000 agreed to*

*On Asbestos Removal and Reinsulation*

**Hon. Mr. Kimmerly:** This is entirely at the liquor warehouse, and it is due to the work not being completed on time. We are expecting to continue the project to completion and ask for additional funds in the next year. It is almost completed, as of this date, but not quite.

**Mr. Lang:** Since we voted the money for this particular area, what exactly was the combination contractual price for both the asbestos removal and the reinsulation of the liquor warehouse, which is sometimes the topic of discussion for those people who have the good fortune of living in Porter Creek.

**Hon. Mr. Kimmerly:** The exact amounts of the contract I do not have. I will get them. In any event, the progress of payments to the end of the year will amount to \$400,000. I forget what the total price was. It was a public tender. I have the notes about it. I do not see the specific amounts on the total contract.

**Mr. Lang:** I would like to see what the bottom line is going to be, as far as this particular area is concerned. Then it is safe to say that in the liquor warehouse, which seems to crop up now and again for the purpose of discussion in the House, between this past year and the forthcoming year, we are spending effectively \$1 million, with the extension. Is that a safe statement to make?

**Hon. Mr. Kimmerly:** No. The removal of the asbestos will be approximately \$500,000. The new building will be approximately \$600,000.

**Mr. Lang:** We are talking \$1.1 million. Just for the record, I want to get it clear that this is what we are looking at for the purpose of our liquor warehouse.

In view of the examinations that have been done in the past six months, are there any other buildings that have come to your attention as far as asbestos content is concerned? If there are, where are they? What are the projected costs for renovations, if there are any?

**Hon. Mr. Kimmerly:** The building maintenance workshop, Mayo firehall, the Dawson City administration building and a cold storage shed used for auctions are the remaining projects. I do not have the prices. We are coming to the end of this expenditure. I would expect that next year will be the last year to vote funds for it.

**Mr. Lang:** My understanding is that it will be the fifth year next year in what was deemed to be a six year project, depending

on the dollars that were available. On the list that has been enumerated by the Minister, are any of those new?

**Hon. Mr. Kimmerly:** No.

*Asbestos Removal and Reinsulation in the amount of a reduction of \$151,000 agreed to*

**Mr. Lang:** Perhaps the Minister could elaborate on pre-engineering studies. I asked the Minister of Community and Transportation for a list of where they are doing pre-engineering on projects. Does the Minister have any idea where this money was spent? I am thinking largely of planning for new projects. Perhaps you could break it down as to what plans were actually done for projects that were undertaken and completed this past year.

**Hon. Mr. Kimmerly:** There is no supplemental here so I am not prepared with the details, but in answer to the question, perhaps a list of the projects is in order. I will provide that this week.

*On Major Maintenance - Public Buildings*

**Mr. Lang:** Perhaps we could hear the dulcet tones of the Minister of Government Services.

**Hon. Mr. Kimmerly:** This is in the nature of a general fund for a total of \$750,000 and we are underspending it by \$65,000. A list of the projects is extensive. I can supply it in writing or read it off. There are approximately 30 smaller projects.

**Mr. Lang:** I would ask that he just provide us with that information. The \$65,000 we are talking about here: does that mean the money will be spent in the new year and, if it is, does that mean a revote?

**Hon. Mr. Kimmerly:** No, I would not expect a revote. Some of these projects are not complete; however, there is traditionally a vote of approximately this amount in the capital budget and it is in the nature of a revolving fund, although it is not a revolving fund technically. We are not expecting any revotes.

*Major Maintenance - Public Buildings in the amount of a reduction of \$65,000 agreed to*

*On Supply Services Equipment*

**Hon. Mr. Kimmerly:** This was the purchase of the forklift. It was \$6,000 less than anticipated.

**Mr. Lang:** Is that the liquor warehouse?

**Hon. Mr. Kimmerly:** I think so, yes.

**Mr. Lang:** I would like to forewarn the Minister of Government Services, but this seems to be a perennial job for the Minister responsible to be looking at forklifts in one manner or another. They do require scrutiny to see if they need replacing. I am beginning to wonder if we always do need a new machine. I would like to put this on notice to the Minister.

**Hon. Mr. Kimmerly:** I thank the Member for that. I have had suspicions of a similar nature myself.

*Supply Services Equipment in the amount of a reduction of \$6,000 agreed to*

*On Internal Retrofit Program*

**Hon. Mr. Kimmerly:** This is because of one project, the Crossroads building that the government owns. It involves putting solar panels on the roof of the building. The project will be completed and this is the same as the major maintenance line. We have funds already in the next budget in the nature of a revolving amount for these kinds of projects.

**Mr. Lang:** This is totally Crossroads and that is it?

**Hon. Mr. Kimmerly:** On the total item, no. On the lapsed amount, the subject of the supplemental, yes.

**Mr. Lang:** Of \$273,000, could the Minister enumerate for the House just exactly what projects are having an internal retrofit program done, and what is the value of that retrofit?

**Hon. Mr. Kimmerly:** I will supply all of that in the same manner as on the two previous lines.

**Mr. Lang:** Maybe the Minister answered this question, but, as far as the lapse is concerned, is it \$80,000 in total to be spent on Crossroads, or has there already been money spent over and above that to start the project?

**Hon. Mr. Kimmerly:** There is money over and above that. The \$80,000 is because the project was not completed before the end of the year as we had originally planned.

**Mr. Lang:** Have we pretty much completed the program of audits of our government buildings as far as what has to be done in

order to retrofit the buildings? Has the Minister been provided with cost estimates we will save as far as energy is concerned if we go ahead with the retrofits?

**Hon. Mr. Kimmerly:** The answer really is no. It is an ongoing thing. As to which buildings have not yet been audited, I do not know that. It would be an interesting question to ask. I would like to know myself. I will ask the question and I will relay the answer to the Member for Porter Creek East.

**Mr. Lang:** I would appreciate that and also those that have been audited. Maybe we could look for a kind of a review on the buildings that have been audited, the costs that would be incurred, capital-wise, vis-a-vis the cost savings on energy, assuming prices stay the same — certain assumptions have to be made — and what further buildings have to be audited, and once those are audited, if that could also be provided.

'Are there any initiatives being taken as far as maintenance or alternate energy methods being employed in this building, over and above what had been done in the past, to see if we could cut down the costs? I know the costs are quite extensive, as far as the ongoing O&M costs. If there are initiatives being taken, what are they?'

**Hon. Mr. Kimmerly:** There certainly were. I am not specifically aware of the precise status of them, if the work is ongoing or not. I will find out.

**Mr. Lang:** As far as the insulation of the Dawson City Territorial Administration Building is concerned, are you looking at putting a further revision of that order in of two inches of insulation, and maybe have some comments as far as the sprinkler system is concerned, in view of comments made by the lords who are doing the museum study.

**Hon. Mr. Kimmerly:** If you will permit, I can answer that question. The sprinkler decision was made in conjunction with many experts and community involvement in Dawson City. We have decided that the original decision is correct and that sprinklers are inappropriate in that retrofit.

On the insulation question, the contracted expert is adamant that the rigid styrofoam is adequate; however, politically and just from common sense, I have questions about that. We are blowing insulation into the walls of the portion to be heated year-round. The R factor of the unheated section will be R-13. The projected R factor of the heated year-round section was to be R-17. It will now be in excess of that, but the measurement I do not know precisely. The plan is that, in the heated sections, we will have a change order in that contract and blow insulation into the walls.

**Mr. Lang:** I would not like to think I sat in this House for the course of this spring and all my efforts went to naught. I appreciate the efforts put forward by the Chairman as well as the MLA for Klondike. I think it is in the best interest of everybody that the Minister's outline be done.

I conclude that I do not have a problem with this section with the understanding that we will get the information that the Minister promised to provide.

*Internal Retrofit Program in the amount of a reduction of \$80,000 agreed to*

*On Takhini Steam Plant Study*

**Hon. Mr. Kimmerly:** This was originally, I think, approximately a million-dollar project to build a steam plant after the closure of the federal plant. It was originally called a study and for budgetary consistency it was always called a study. However, it is really the tail end of the project. The project is now completed and we had budgeted an additional \$224,000, largely as a contingency. There was a dispute with the contractor. The dispute was resolved and the expenditure in this year was \$99,000. It is now over and we are allowing the \$125,000 to lapse.

**Mr. Lang:** There was some discussion at one time about looking at alternate sources of energy being utilized for those facilities, primarily the Takhini School and the correctional institute. Is there any further possibility of looking at an alternative source of energy, like chips or something? If there has been, perhaps you could update the House.

**Hon. Mr. Kimmerly:** The expense of using that heat in buildings that are further away is considerable. It is all in the expense of the pipes. The pipes in the soil conditions that exist,

considering the temperatures, will last a very short time. The engineers tell me it is not cost-effective to expand the use of that facility to heat other buildings. Yukon College will be fairly close, and it is our plan to put in, and the tenders are out, a fluidized bed boiler, which is pollution free and is capable of burning wood chips, coal and garbage.

**Mr. Lang:** Have there been any negotiations in the utilization of coal and, if so, what step are you at with respect to using that as an alternate source?

**Hon. Mr. Kimmerly:** The Department of Government Services was contacted by private interests concerning the use of the coal for Yukon College. We are very interested in that concept, and we have asked the Department of Economic Development to look at the proposals. It is my information that the results of that are not complete, as of this moment.

We have purposely planned the boiler plant there to accommodate coal, and specifically to accommodate various grades and qualities of coal. The boiler is an extremely flexible one, and the primary source of heat for Yukon College, we hope, will be among wood, coal or garbage or a collection of all three at alternate times.

**Mr. Lang:** Further to this, as far as the Justice building is concerned, is it the intention to proceed with the wood chips as per discussions last year? I think there were some amendments made to the actual construction of the building to provide for it, if the decision was taken to provide chip energy for both that facility plus private interests across the street.

**Hon. Mr. Kimmerly:** Yes. The building is designed with an oil-burning boiler. However, it is designed to accommodate wood heat. There was a specific proposal for a wood heat plant downtown. If that plant goes ahead, the building can buy as much heat from that source as it takes to heat the building. The pipes in the basement are all installed and go to the property lines. If it becomes a viable proposition, we can utilize it. If it never comes about, the building is self-sufficient in any event. It has alternate sources of heat.

**Mr. Lang:** Are you negotiating for that particular type of heat for the building now? Have the proponents come forward with a proposal, or is it just left in limbo for the present time?

**Hon. Mr. Kimmerly:** It is left in limbo.

*Takhini Steam Plant Study in the amount of a reduction of \$125,000 agreed to*

*On Whitehorse Grader Station*

**Hon. Mr. Kimmerly:** The project is completed, and it cost less than anticipated. It was originally a \$265,000 project and the \$88,000 was the tail-end to complete it. It only cost us \$63,000.

**Mr. Lang:** You got a real deal.

*Whitehorse Grader Station in the amount of a reduction of \$25,000 agreed to*

*On Workshops and Equipment*

**Hon. Mr. Kimmerly:** This is miscellaneous tools. It is very small tools like hammers, saws and things like that. We are expecting a reduction here.

**Mr. Lang:** Prior to leaving this line, I would like to put the Minister on notice that there are a number of areas I have not raised because we are on supplementaries, i.e. the contract directives that the Minister is the author of that I think requires some scrutiny in the public forum later on in the session. I will be raising things of this nature in the context of the O&M Budget. I would suspect, in view of the commitments that have been made, that we are going to be on this department for at least a few minutes in the forthcoming days.

**Hon. Mr. Kimmerly:** I look forward to it.

*Workshops and Equipment in the amount of a reduction of \$10,000 agreed to*

*Department of Government Services in the amount of a reduction of \$780,000 agreed to*

**Hon. Mr. McDonald:** The Members asked a question last week with respect to the school tax and the general public tax rates. I have that information for them. The question was with respect to the provisions of the schools and general public tax rates for the coming year. The decision has been made to keep both school tax

and general public tax rates at levels previously established. There will be no change.

## Department of Health and Human Resources

**Chairman:** General Debate.

**Hon. Mrs. Joe:** As is noted under my department, there is only one supplementary in the amount of \$4,000. I will enter into a debate and answer questions as I can. If there are questions on the other side and they ask me to elaborate on certain things, I could possibly do it at this time, but I would prefer to do it in the O&M or in the Capital Supplementaries for 1986-87.

**Mrs. Firth:** I do not have a lot of experience in the House, but I find it rather irregular that the supplementaries are like this. Is there any special reason why there is only that one adjustment for \$4,000?

**Hon. Mrs. Joe:** I think that we have a very efficient department and we know how to manage the money.

**Mr. Lang:** Some of us just got here and some of us have been around for awhile. We who have been around awhile, find this totally and absolutely out of the ordinary. I really question the allocation of the dollars in these particular areas, some that were done in a hurry toward the end of last fall, additions on the capital side and also on the maintenance side.

I believe there are a number of new programs undertaken in a couple of areas over this past year. It is the Minister's right. If the Minister wants to elaborate, but unless she has a financial guru there that the whole government should be using, I question the temerity of bringing in a budget of this kind that is less than believable.

**Hon. Mrs. Joe:** I am prepared to answer specific questions that the Members may have. I cannot defend my department any more in presenting this budget as it is. I think we have done a good job, and I commend them for it. If there are certain questions that the Members on the other side would want to ask with respect to some of the items listed here, I would be prepared to do that when we get to those items.

**Mrs. Firth:** Can the Minister tell us, when her department brought this forward to her and she compared the previous supplementary estimates and what other departments had in theirs, and when she asked her department officials why hers was different and looked like a perfect budget, what her officials said to her? What rationale did they give her, that she is prepared to bring to this House to defend why it is like this?

The Minister is laughing. It is a legitimate question: why?

**Hon. Mrs. Joe:** I am not really sure what the Member is trying to get out of this. I have a supplementary here of \$4,000. I have an explanation for some of the things that have happened in here. If we decided that we were going to spend a certain amount of money for a certain project, then I have a list of those items here. Maybe the Member would like to know whether or not I had a dollar left over from Northern Health Services, and it is not included here, but I cannot do that. I have the information in front of me. I had discussions with officials in my department. We talked about this and this is the information that I have before me. It is in the House, and if there is anything that anybody wants to ask me with respect to the line items, I will be happy to answer those questions.

**Mrs. Firth:** We raised this point with the Minister of Education, when we were in the Education debate — I raised the point specifically — when it came to things like Miscellaneous School Equipment. The Minister agreed that it was highly questionable, and I do not wish to misquote the Minister, that there was some potential that maybe they were not going to spend all the funds, or that some would be left over, or that maybe they would overspend. That question is there. I am not trying to put the Minister on the spot. I am trying to find out if she identified that it was different and asked her officials what explanation she was going to present to the Members of the Legislature as to why it was different.

**Hon. Mrs. Joe:** This information before us was put together in January. There is a possibility that some of those projects may not have spent all that money, or they may have needed more after January. If that is the case, then that will be in the 1986-87 capital supplementary.

**Mr. Lang:** This is our last kick at the cat, if I may, and it was made clear by the Minister of Finance. By pure coincidence, we are given a budget that does not have a contingency fund — the only one I know of with no contingency fund, with one minor adjustment, an accounting adjustment. Yet, we are looking at 14 items and, of those, probably 10 capital items are for the purpose of contracts that have gone out in one manner or another. You are asking me to stand up here and believe that you did Dawson Senior Citizen Facilities Upgrade for a vote of \$50,000 and a revised vote of \$50,000.

I think an explanation is needed regarding the book work and the accounting in this area. I am not prepared to sit here and say, "Oh, well, we can wait until 1990." It is a valid observation, and we are doing it seriously. Did everything come in on target?

**Hon. Mrs. Joe:** The information we have here is up until January. We could not take it to March 31, as the Member knows. I am willing to talk about what we have in my department, that is on this page. We are in a supplementary budget for 1985-86, and during the budget debate on the Supplementary No. 1 for 1985-86, we went through the budget in about two minutes. There was not one question asked with regard to that. We are now looking at Supplementary No. 2 for 1985-86 with a supplementary of \$4,000. I am not sure if we are in order to be talking about something that is not here, or something that could be in the next budget. I am prepared to talk about what I have in front of me, if the Member wants me to elaborate on every line item we have here. If we do not have something here, I am not sure whether or not it is in order to talk about it at this time.

**Mr. Lang:** We are talking about page 21 of the Supplementary Estimates. We are talking about the last time, other than in the context of the territorial accounts, that we will make public scrutiny of this particular budget. We are talking about the only budget tabled in this House, on the supplementaries, that did not have a contingency. Why did you not have a contingency for a total operating fund of \$37 million? Why is your department different from any other department?

**Hon. Mrs. Joe:** That is not listed on page 21. Are we not talking about what is on page 21? If the contingency is not mentioned in here, is it in order to talk about it?

<sup>33</sup> **Chairman:** I believe the question was why is there not a contingency in this department as there has been in all the others?

**Mr. Lang:** Thank you very much; that is the question.

**Hon. Mrs. Joe:** I cannot answer that at this point in time. I have information on what is on this page. I do not have any information on what is not on this page. I would have to come back and tell the Member why we do not have a contingency item here under the line items.

**Mr. Lang:** I would definitely like to know why not. I asked the Minister a question. Did everything in this department come in, according to your variance 9 report, on target? Did everybody in Cabinet believe that it had come in on target?

**Hon. Mrs. Joe:** I talked to officials from my department. The information I have up until January is that everything was right on the button. There may have been a dollar here and a dollar there on either side. That is the information I have before me, except for the \$4,000.

**Mrs. Firth:** In all sense of fairness and in all commonsense, I know that there have been resignations within the department so there have been salary dollars left over, which means there have been travel expenses left over. There have been phone expenses left over.

The turn around time for rehiring can vary in length. Surely the Minister is not telling us that there was not even one position left vacant and was filled immediately so that there was no lapse in salary dollars or no excess in expenses such as travel or telephone. It just does not make sense.

I recognize the information that the officials have given to the Minister. They have given her line-by-line information. Surely, in a general discussion, questions of why this budget is so much different from the others must have to be addressed. If the Minister cannot do it, she should stand up and say no, and that she would find out and come back.

**Hon. Mrs. Joe:** If I do not have the information here that the Members on the other side would like, I will make the commitment to go back to my department and ask for it. I have no problem doing that.

**Mr. Lang:** This is less than believable, quite frankly. We had a very serious discussion last night on the question of departments that overspent their authority, and who was there to prevent the overspending. I think the Minister of Finance rightly said, "We will fire the Deputy Minister, if that is the case".

He was serious. We are facing a very serious situation. From my interpretation, we have a department here that has so much fat in it that they do not need a contingency. I welcome the Minister of Finance, because I think it is a legitimate concern.

I do not know if he has been listening, but I would like to point out on page 21, where we have had one minor accounting adjustment, no requirement for a contingency and we are being asked to pass a budget where we are told that everything is on budget.

We know that a number of things have to be tendered out. We know a number of projects, i.e. the young offenders, which we will get into in a line item, did not cost the \$250,000? At least to our knowledge it did not. These are valid questions. How come this department is different from any other department in that it does not need a contingency fund?

<sup>34</sup> **Hon. Mr. Penikett:** There is no standard rule about the use of contingency funds. We may evolve one over time. If this department at period 9 assumed everything would be right on target, then they must assume they did not need one.

**Mrs. Firth:** I believe that that is contrary to the comments the Government Leader made when we first started debating the Supplementary Estimates and we first raised the question of contingencies. At no time then did the Minister of Finance indicate that there were going to be some departments that were not going to require contingency funds.

If he goes back and reads the debate we had during the Executive Council Office, when we first raised the issue, he will find that his comments may not be consistent. I think it is a significant point. The point is that this is the only department that has no over- or under-expenditures and has no contingency. I do not see how that can be, in a department with such an immense budget of over \$35 million.

**Hon. Mr. Penikett:** The answer is that in period 9 they did not think there would be any change in the amounts that would be needed to the end of the year. The only answers as to whether these numbers are perfectly accurate, or whether it is as efficient an administration as it would appear from these supps, will come in the Public Accounts at year end.

**Mrs. Firth:** My concern is that the Ministers are bringing in their budgets, their supplementary estimates, and they are being expected to defend them to the Members of this Legislature. If we are raising questions that they cannot answer, I would far more appreciate a response that says, "I am sorry, I did not ask that question. It sounds like a logical question. I will go back and ask the officials and come back with an answer". That is all I am finding out; if they are doing their homework. I do not get the feeling that they are.

**Hon. Mr. Penikett:** Give me a break. We are not in school here. Forgive me, but if you want me to go back to the record, to when the Member was the Minister of her department, and ask how many times she had to go back and get information she did not have at her fingertips, or to ask whether she was put to the same kind of infinitesimal scrutiny that some particulars in this supplementary budget have been, we did not spend a month on supplementary budget when she was the Minister.

**Mr. Lang:** I resent this. I resent this entirely. We have been doing everything we can to expedite business in this House. We have been asking questions — I think legitimate questions — and in some cases we are getting information. Things have been moving along. To stand up and say, because this is the way I did it when I was in opposition is the way you shall do it in opposition, I do not accept.

We have a \$38 million budget here, and you are telling us that it

came in on the same figures that were tabled here last spring and last fall. If you want to have a recess, Mr. Chairman, that is fine. I think we are asking a legitimate question. We will not get a fair shot at this particular budget until after all the horses are out of the barn, so to speak. I am really questioning the capabilities and the administrative quality of what we are dealing with here with respect to various items of the budget.

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

#### Recess

<sup>35</sup> **Chairman:** I will now call Committee to order.

**Mr. Lang:** I want to correct the record on one account. I indicated that this was the only department that did not have a contingency fund. Actually, Community and Transportation Services does not have a contingency line, but also, at the same time, it was explained very clearly by the Minister where surplus was available and how it was going to be utilized. He was confident, within the transfer of dollars received in that particular budget, that between him and his officials they would meet the restrictions by the *Financial Administration Act*. Our concern with this department is that there is no transfer of dollars to show any surplus of any kind, anywhere in the budget, that everything is on target and we will all live happily ever after. Is there surplus in the budget and, if so, where is that surplus and what is it going to take into account in projects that come in over or under, as far as transfer is concerned? Perhaps she has some comments.

**Hon. Mrs. Joe:** If there is a surplus then I think that will be indicated in Supplementary No. 3, as in the past. With regard to a contingency, we did not require any money and that is why it is not listed in here. As I mentioned before, the figures we have here were prepared in January as a result of information that was there from December. Everything here is from December figures put together in January.

**Mr. Lang:** My understanding is that this is the final supplementary and the next step for this particular budget is the territorial accounts, and then the Public Accounts Committee would scrutinize that particular document. Perhaps I could quote the Government Leader who said quite specifically, "That is not quite the case. That was the case prior to the new *Financial Administration Act* brought in by the previous government. Under the old system we would have had one more supplementary to finally wrap up this year. We do not have that any more. We now have the territorial accounts that close the year. We also have a provision under the *Financial Administration Act* that prohibits in law a department overspending the amounts here."

My concern is that we are given a document here which effectively enumerates money which was voted quite sometime ago, not just December, and we are expected to believe that there are no overages or underages, no new programs or new initiatives in the budget.

<sup>36</sup> **Hon. Mrs. Joe:** It is my understanding that any money that we have as a result of this going only until December to March 31, would be indicated in the territorial accounts.

**Mr. Lang:** In fairness to this House, we have Supplementary No. 1, which was voted in July. Am I not correct? We met and went through the budgeting process. I look at the figures that are enumerated on page 16 of Supplementary No. 1 in 1985-86 and they are exactly the same figures that are enumerated here in the revised vote. You are asking us to say that all these prices came in within one dollar on each item.

**Hon. Mrs. Joe:** I am telling the Member that we were within budget at the end of the period in December. We voted Supplementary No. 1 on October 10. At that time we did vote on each item as it is listed here.

**Mr. Lang:** Did anyone ask the question as to why this department can be so close on their budgeting and looking ahead with respect to the variance report and in view of the document that we have here? Did anyone ask that question, either the Minister or her colleagues?

**Hon. Mrs. Joe:** The information that we have is information to

the end of December. I do not know what else I can tell the Member. We do not have any over-expenditures. We did not need any more money at this time. If there were any adjustments to be made with regard to a supplementary item, it is listed under Accounting Adjustment. I do not know what else I can tell the Member for Porter Creek East.

**Mr. Lang:** The Minister, with a great deal of fanfare, announced various things that they were going to do with the Women's Directorate. That was a few months ago. In this document we have \$57,000 voted to date. We know that there are at least three personnel in that office, maybe four. That would exceed what we voted originally, \$57,000, just for salary alone. We are going to have to go through and dig, and dig and dig. We are going to have to ask where the money came from and where was it transferred from.

This is less than believable. It is no laughing matter. We are dealing with people's money and we have a right to know.

<sup>37</sup> **Hon. Mrs. Joe:** If we had a budget here that was over-expended, I could see the Member's frustration. If he is talking about the Women's Directorate, we did have an amount of \$62,000, and some other was transferred to the Department of Justice. At the time, the person who was working at the Women's Bureau was only working two days a week. Some money from that amount was used to pay the two other people we have working for us now. They have not been there that long.

**Mrs. Firth:** Just to carry on with some general observations about the Department of Health and Human Resources and the Supplementary Estimates, I know there has been a fair amount of structural reorganization within the department. I can tell from the O&M Mains that the layout of the department is no longer the way it was before. There is a new Deputy Minister there, and that would account for some of that.

I find it difficult to believe that everything came out absolutely equal. All I am asking is for the Minister to demonstrate to me that it did.

I will raise a few instances. I know that there has probably been some vacant person-years with salary dollars and so on. I know that the Job Evaluation Study must have had some impact on the budget, because it has on other departments. I know there have been some acquisitions of property by the government that comes under this budget, and I am speaking of 501 Taylor Street. I know that the daycare regulations have been changed, and that possibly there will be some budgetary impact because of that. I know that the government has been contracting some special projects in the Department of Health and Human Resources regarding Young Offenders and program planning services. I also know that there have been other programs put on by the department regarding some other areas of education and delivery.

I am asking the Minister to simply justify and demonstrate to us that this is legitimate, that this works out perfectly. I am having difficulty understanding that within such a huge budget of over \$35 million, that everything has just come out equal other than a \$4,000 accounting adjustment.

<sup>38</sup> **Hon. Mrs. Joe:** There are certain things that did not happen within the year 1985-86, right up until March. When this budget was put together by this department, we still had three months to go so there are some adjustments that have been made since this document was printed. There are certain things in here — not an awful lot, but certain things — that have been carried over.

With regard to any department or line item that there is a surplus on — the Member for Porter Creek East has already indicated we do not have supplementary number three's anymore — that surplus would be indicated in the Territorial Accounts.

**Mr. Lang:** I have not dealt with the territorial accounts in that respect so that remains to be seen. I will have to go to where that particular expertise is for that discussion. We are not referring to variance number nine. I recognize the budget was put together in December with the best possible information that one could conceivably have. We are dealing with budget figures, which were presented to us in July of last year, of \$35,013,000 in Operation and Maintenance expenditure, and we have gone to \$35,017,000.

Is the Minister telling us that everything was met and there is

really no need to discuss any transfer of dollars or any new initiatives with respect to this budget? That is what we are asking. Every other Minister has come here and said there are changes here for this reason, and for that reason. This really raises questions about what the department is doing and how they are doing it.

**Hon. Mrs. Joe:** The supplementary is not much different from past supplementaries. There have been some monies needed at the end of the year that were indicated in the supplementaries, but I trust my department's judgement. I trust what they did; they are good at their work. I do not know if I can answer any more than I have told the Member already.

<sup>39</sup> **Mrs. Firth:** We are not asking whether or not the Minister trusts her department. We have no reason to doubt that she trusts her department officials. I am asking her, as a Member of this Legislative Assembly, to justify to all of us as Members of this Legislative Assembly, how this can be so? If the Minister can get up on her feet and demonstrate to all of us, as legislators, that, for example, one area balanced off another area so that they came out with a balance, then I am prepared to accept that she has asked her department officials and that she feels reasonably comfortable that not just a matter of trust is being talked about, but that she has received some concrete answers that we could have in this Legislative Assembly.

We are dealing with two areas in this department: the Yukon Health Care Insurance premiums and social assistance. They are very flexible areas when it comes to money. It is very easy to be over or under your estimates and your predictions. I just want the Minister to get up and demonstrate to all of us, in some factual way, that she has a good explanation for the supplementary estimate that she has brought forward.

**Hon. Mrs. Joe:** The Member is trying to indicate that I do not do my job. I do do my job. When my officials presented this budget to me, we had discussions about it. The information that has been given to me in this document is the information that I have before the House. I cannot answer any more questions. I do not know what the Member wants me to tell her.

There may be a surplus at the end of March that is not indicated here. That is not easy to do, if you have a document that was put together and printed in January. If you have a surplus at the end of March, it has to be indicated somewhere else. From the information that I have, that would be done in the Territorial Accounts.

**Mr. Lang:** Is it the intention that the Minister go through each line department and say how much money they were short or ahead for variance 9? Is that the intent of the Minister, to inform the House of how the money was spent? Why was it or why was it not spent? Or are we going to be dealing with the O&M Budget in July?

**Hon. Mrs. Joe:** I came into this House with a Supplementary No. 2. I have notes from the department to indicate where that money has gone. I do not have anything else before me. If the Member wants me to go through every single line item and say, "Well, there were two dollars left over here; there was a dollar spent here," I cannot do that. I can only go by what I have in front of me. I can stand here and answer questions with regard to the information that I have, but I cannot answer any questions with regard to the information that is not on here.

<sup>40</sup> **Mrs. Firth:** Is the Minister prepared to get the information for us, if we have some questions?

**Hon. Mrs. Joe:** I do not know what they want. We have a Supplementary No. 2 here that we are dealing with, and that is what I am prepared to speak on, the supplementary in front of us, not something that is not here.

**Mrs. Firth:** I would like to know what impact the Job Evaluation Study had on the Department of Health and Human Resources. I would like to know what impact, in dollars, the reorganization of the department had. I would like to know how many person-years were vacant, and whether they had any salary dollars left over and what they did with them.

I have a contract here for Reality Therapy Training. I would like to know what that was for, because it cost \$20,000. I have lots of things I would like to know the answers to. I would like to know if the Minister is prepared to bring some answers back, or if she is just telling us that she wants us to approve this and that is all there

is to it.

**Hon. Mr. Porter:** In speaking to the question raised about the implications of the JES, I would like to remind the Member of a conversation that was held between her and the Government Leader on the debate with respect to the Public Service Commission aspect in the supps. There was an agreement between the Member opposite and the Government Leader that the JES will be addressed in the O&M Mains, and will be addressed with the Government Leader with respect to the overall implication with respect to government.

**Mrs. Firth:** I recall very well that debate and that commitment. However, all the other departments have brought forward a very basic estimate of the JES for this supplementary period. The commitment and the discussion that the Government Leader and I had was with regard to the total impact of the JES dollars. The Government Leader, at that time, indicated that it was a very time-consuming process, a very detailed process, and we agreed that we would discuss it in the Public Service Commission debates in the O&M Mains.

However, I noticed the other departments brought forward, for this three month term, the dollar cost of the JES, because it is readily accessible information within the department. I am not deviating from that agreement. I would still like to know if we could get some specific answers.

**Mr. Lang:** With respect to JES, the money that was allocated for that purpose in this past year, since the decision and since the negotiated settlement with the union, has to be incorporated in this budget. We are dealing with budget numbers that there has been no change at all to from July. I believe the negotiations were concluded in September to January 1. At least, some indication of figures were there, and they were supposed to be included. I think that those are valid observations. How did JES, in a block term of money, affect this department, and where was the money found?

Maybe we should try to go through it line by line and see how we make out, and see if the Minister has the information.

<sup>41</sup> **Hon. Mrs. Joe:** I am quite willing to go into the JES in my department in the O&M budget but, as of January 1, we had lapsed salary dollars that were used to provide for the JES and as far as I know we were not over budget.

**Mrs. Firth:** I gave the Minister that hint and she has taken it well, and that is the kind of answer I am looking for. If there was some major expenditure under some line and it was matched off with some other savings of money, those are the kinds of things I like to hear as a legislator, to know that this is then justified. Can the Minister give us any more details about the contract for \$20,000 for reality therapy training. I would like to know what it was, who participated and who benefited from that?

**Hon. Mrs. Joe:** I can come back with specific information but it was used for staff training and group home therapy and all sorts of other things. If she wants more specifics, I can come back with that information.

**Mrs. Firth:** I would like that information. Particularly I would like to know if they had money in the budget to do that or if they had to find money from somewhere else, from other lapsed dollars.

**Hon. Mrs. Joe:** It was in the budget.

**Mr. Lang:** I would ask a question of maybe the Minister of Justice. The Minister of Health and Human Resources has indicated that her ability to provide for the financing for the Women's Directorate, perhaps there was some monies transferred from the Department of Justice to the Department of Health and Human Resources. Where in the Department of Justice was it found and when was it transferred?

**Hon. Mrs. Joe:** When we reorganized the Women's Bureau and turned it into the Women's Directorate, the money that was allocated for that was turned over to Health and Human Resources, which the Women's Bureau was under at that time. There was, I believe, \$5,000 that was kept in Justice.

**Hon. Mr. Kimmerly:** The transferred amount was \$57,000 from Justice to the Women's Directorate ultimately. The situation was that the Women's Directorate, as it then was, was contained within Justice and the person-year — it was actually part of a person-year — was transferred out of the department and \$57,000 was also transferred out of Justice.

**Mr. Lang:** I did not see any vote authority for the Women's Directorate in the last budget we passed. How could we transfer money with the vote authority to that particular item in July when we passed the 1985-86 budget. It is very clear that \$57,000 was going to be spent for the Women's Bureau, which is a year in totality and included travel, the individual's salary and various other things. Since that time, there have been other major additions to that particular branch over the winter and obviously the money had to be found somewhere. What was the total cost of that?

**Hon. Mrs. Joe:** In the 1985-86 O&M Budget, there is a line item for the Women's Bureau of \$57,000. It was voted on.

**Mr. Lang:** My point is that that is in the Department of Health and Human Resources, not in the Department of Justice. At the opening to this debate, you said that the money appeared out of the Department of Justice and was transferred over. That was my understanding of what was said. The money has been there since July for the whole year.

**Hon. Mrs. Joe:** It was transferred in the course of the budget for 1985-86. It was done at that time and was listed under the O&M Budget.

**Mrs. Firth:** I would like to know if there were any variations in the Pioneer Utility Grant? Did they have as many applications? Did they pay out as much money? Because of the change in the daycare regulations that I mentioned previously, had the government enough funds identified for that, or did they have to find extra funds because they increased the daycare subsidy? Where did they find the money for that? If they had to find extra funds, some other area must have underspent to make those funds available.

**Hon. Mrs. Joe:** It was in the budget at the time, and the money was already there in the department.

**Mrs. Firth:** If the daycare subsidy was increased and more was being paid out, they would have identified money in the budget for the daycare subsidies at the lower rate? So where did they get the money to pay for the extra rate?

**Hon. Mrs. Joe:** That was also included in the 1985-86 O&M Budget.

**Mrs. Firth:** What was the Minister mean it was included in the budget? She just increased the subsidies in the winter some time, in January or so. Did she put the money in the budget before she made the announcement?

**Hon. Mrs. Joe:** It was approved in the 1985-86 O&M Budget and was implemented in November.

**Mrs. Firth:** Could the Minister tell me what that amount was?

**Hon. Mrs. Joe:** I do not have it at my fingertips, but it is in the 1985-86 budget. It was \$179,000, and it was voted on in the 1985-86 O&M Budget.

**Mrs. Firth:** Is all that money going to be spent, taking into account new applications, the increased subsidy and so on?

**Hon. Mrs. Joe:** I think we anticipated from the past records that that amount would accommodate us for the fiscal year.

The Pioneer Utility Grant was also included in the 1985-86 budget for \$186,000.

**Mr. Lang:** I do not quite understand that. I thought there was an increase in the Pioneer Utility Grant legislated last fall. Was the O&M Budget put together with the idea that if we voted it in July that there would be an increase to the Pioneer Utility Grant? Was that decision taken and then announced in the Speech from the Throne in the fall? Correct me if I am wrong. I am just curious.

**Hon. Mrs. Joe:** We voted for the amount in this budget, but I could come back to the Member with that information. Right now, what we are doing is going back to the O&M Budget of 1985-86, and I am just wondering if that is going to be normal throughout this whole debate?

**Mr. Lang:** That is what we have been doing in all the other votes. We have to reflect the O&M. You are asking us to give a blessing to this budget with no deletions or additions. That is what we are referring to. We will check the Pioneer Utility Grant just to see when that increase did come through. How does it relate with respect to the line item in Administration? We do not have the information regarding the timing of those decisions in front of us, but it brings into question just exactly what we are dealing with here.

When was the decision made to increase the Pioneer Utility Grant? Does the Minister recall? When was it publicly announced?

**Hon. Mrs. Joe:** I do not have the exact dates. I will have to come back with that date.

**Mrs. Firth:** Can the Minister tell us approximately how many applications for Pioneer Utility Grants they received?

**Hon. Mrs. Joe:** I signed a great deal. I do not know the exact amount. I can come back with that information.

**Mr. Lang:** I am a little lost. We are trying to help the Chair expedite business. We are dealing basically with Administration. Perhaps we could move right into Administration, and get off general debate. We will see what the Minister has to say as far as that particular line item is concerned.

*On Operation and Maintenance Expenditure  
On Administration*

**Hon. Mrs. Joe:** I do not have a Supplementary here, but I will answer questions if I can.

**Mr. Lang:** I will just ask a very general question. In Administration, what areas were significantly over and what areas were significantly under, in order to be able to come up with a figure that you presented to us in July?

**Hon. Mrs. Joe:** As I mentioned before, as of the end of December, I do not have any more information than what I have right here. If I had the information, it would be in this document.

**Mr. Lang:** I hope the Minister does not take this personally. I am not a critic in this area, and I will give it back to my colleague. For example, in Young Offenders for 1985-86, we have \$1,241,000 voted that we never had voted before. There has been a lot of controversy as far as homes and everything else is concerned. Have we spent the whole \$1,241,000? Has the department come on target as they have in all their other figures?

**Hon. Mrs. Joe:** I almost feel like we are in court. Up until the end of December, we were within our budget. If we were not, it would be indicated under Supplementary No. 2.

**Mr. Lang:** You have a line item of \$1,241,000, which was a new line item, in expectation of certain things happening, on page 134 of the O&M Estimates. Did the department hire 11 people for that particular function? Did they spend \$1,241,000 predicated to March 31 of this year?

**Hon. Mrs. Joe:** We did hire new people. We hired people under the Social Development Program that was already budgetted for in the 1985-86 O&M. It was already voted on in the O&M Budget.

**Mr. Lang:** I am asking for a line vote we gave our consent to: \$1,241,000 for Young Offenders. It is a new addition and 11 man years. Did we spend the \$1,241,000 predicted, knowing March 31 was the cut-off date?

**Hon. Mrs. Joe:** I cannot tell the Member any more than what I have already told him. If he is asking for something I do not have here, if there is something I can come back to him with, I will. If he is talking about the person-years that we voted for the Young Offenders Program, then that would be included under another line item. If he is talking about the Addictions Workers Program, that would be under Human Resources, I believe. I do not know what specific information he wants. If I do not have it, I would certainly be quite willing to have the department give me the information and bring it back to the House.

**Mr. Lang:** I think my question is very direct. Hopefully the staff will understand it. I just want to know if you spent \$1,241,000 for Young Offenders, which is a controversial and topical question at this time, and there are 11 new person-years. Did you hire 11 new person-years for the purpose of the Young Offenders?

**Hon. Mrs. Joe:** The administration program in my department includes the Deputy Minister's office, the Policy, Planning and Evaluation Unit, the Administrative Services Branch, that is included under this line item one. We were, at the end of December, on target. We did not anticipate that at the end of the year that we would need any more funds, or that we might have funds left over.

**Mrs. Firth:** Can the Minister tell us, in that line item, Administration for \$1,138,000, if there were any major shifts within the department because of the reorganization, and what were

those major shifts in personnel allotment?

**Hon. Mrs. Joe:** It is my understanding that under that program there was nothing that indicated a big shift one way or the other.

**Mrs. Firth:** There has been some major reorganizing done, so there must have been some change of dollar allotments and person-year allotments, and so on. Perhaps the Minister could give some explanation as to what effect the organizational changes have?

**Hon. Mrs. Joe:** The chart of accounts changed a lot of the objectives. The departmental objectives changed. It was listed under 17 different items and in the new chart of accounts it was reduced to four.

**Mrs. Firth:** How did that impact on the dollar allotments?

**Hon. Mrs. Joe:** As far as I know, there was not any great impact because it was just a reorganization of the structures. There was a little more explanation as to the different activities under the different departments. It indicated to the departments that certain programs had different activities.

**Mrs. Firth:** With the reorganization, my guess would be that more staff was taken out of the administrative branch and the administrative branch would have been made to look smaller, and the administrative personnel could have been put into some of the specific programs. If that happened, the dollar allotments would change for those programs. Is that what has happened? Is that the way the Minister directed them to do the reorganization?

**Hon. Mrs. Joe:** In the O&M Budget, I have an explanation on the new chart of accounts. I do not have it with me and I cannot stand here and explain to the Member exactly what those changes are and what they indicate. I do not have it with me because I did not anticipate that this kind of questioning would happen, but it did.

**Mrs. Firth:** Did the Minister have a lot of discussions with the department regarding reorganization? What was the direction that she gave them to proceed with the reorganization?

**Hon. Mrs. Joe:** I had a great deal of discussion with the department with regard to this. We made a major change and I think that we had to make things a little clearer in the department on how each part worked. I think we were able to maintain that through the chart of accounts.

It was a new experience in this department and I do not believe it is done in all of the other departments, but it was changed in this one. It is a little difficult for me to stand here and explain it without the notes before me. I have them prepared for the O&M Budget.

**Mrs. Firth:** To follow up on that, do I get the impression from the Minister that the concept was not hers but that of department officials? If it is a concept that she had been initiating, I am sure she would have felt very strongly about it, and would be able to defend it to the death. Is it some reorganizational structure that she has done based on advice, or is it an organizational restructure that she gave instruction to proceed?

**Hon. Mrs. Joe:** Apparently, it was based on an audit report that was done by the former government.

**Mr. Lang:** What I find confusing is that I, as a Member, was presented a budget here in July. We are looking at supplementaries for this year that are totally different in format and everything else for the supplementaries. I could understand a new financial framework for the new budget coming in. I do not have a problem with that. But for us to be sitting here to coordinate these figures, I find it very difficult looking through and saying: who added what on administration.

Do you have 18 people on staff for administrative services?

**Hon. Mrs. Joe:** I do not have that information in front of me. If I did, I would certainly give it to the Member. I have a complete breakdown of every single branch of the department for my own O&M Budget, but I do not have it for this. If the Member wants to know if I have 16 person-years in administration, I cannot tell him that because I do not have that in front of me.

**Mr. Lang:** I am at a loss as to how to question what we are dealing with here. Was there any area in administration where there were surpluses up to December of this year? If so, how much?

**Hon. Mrs. Joe:** I do not know how often I can say this. If there was a surplus, it would have been indicated here. There may have been surpluses within the department during the period of time that might have been used to do something else within the department.

For instance, on the Task Force on Family Violence, we used \$25,000 for that.

**Mr. Lang:** If that was the case, then what new initiatives were taken under administrative services as shown in the supps in the past year?

**Hon. Mrs. Joe:** I would like to be able to stand here and to answer every single question that is being asked of me. We did have some new initiatives, such as the Task Force on Family Violence. We did have other things that happened in the department that we were able to do since the budget was voted on in the fall. When we put those new initiatives into action, we used the money that we had within our department, and we did not have to go over our budget in order to implement some of those things that happened.

**Mr. Lang:** Then it is safe to say that in July we were presented with a budget that was largely inflated in many areas so that you could, over the course of this year, do a number of initiatives and find it within the department. Is that a logical progression of what we just heard?

**Hon. Mrs. Joe:** When the budget was put together for 1985-86, we were asking for dollars to accommodate certain programs such as the day care subsidy and the Pioneer Utility Grant. Some of those were not implemented in April of 1985, so we had money left over during that period of time. That lapsed money, along with lapsed salary dollars, or programs such as the Pioneer Utility Grant or the daycare subsidy, was available and we were able to move that money around within the department.

**Mrs. Firth:** This is the difficulty that I am having. In the O&M Budget for 1985-86, which this supplementary follows, the format and the organizational structure is different than the 1986-87 budget. However, the supplementary estimates are based on the same format as the new 1986-87 budget, not the 1985-86 budget format. Therefore, it makes it very confusing to follow the dollars around. So, if the Minister could bear with us and give us some explanations, we are not being unreasonable. We are simply asking: if you have done a major reorganization and under administration there is only one line — administration — what has happened to the other salary dollars? What is the major shift in that area now and where has it gone?

**Hon. Mrs. Joe:** As I already mentioned, while the Member was wandering around on the other side of the House, we did have lapsed salary dollars, we had other money that was not spent that was budgeted for in the 1985-86 budget. We did not spend all that money because, for instance, the daycare subsidy did not come into effect possibly until November. In the Pioneer Utility Grant, I am not sure whether or not we used all of that money, but there were other salary dollars that had lapsed because we did have a lot of vacancies in the department. That money was moved to accommodate certain things we did, and I mentioned the Task Force on Family Violence. We moved some of that money around to accommodate casual employees we hired in the Women's Bureau at the time, which was within Human Resources. So there was money moving around, but we did not require any additional funding at the end of December.

**Mrs. Firth:** I would just like the Minister to know I do not appreciate the comments she made earlier. They are totally uncalled for. We are trying to have some constructive debate about the budget. I understand with the change, that Community and Family Services now involves a lot of different programs. Can the Minister tell us what all of those programs are?

**Hon. Mrs. Joe:** Community and Family Services includes the Program Management, Family and Children's Services, Placement and Support Services, Regional Services North and South, and Juvenile Justice Services.

**Mrs. Firth:** Has there been any significant change within this area because of the reorganization?

**Hon. Mrs. Joe:** I have a lot of information in the 1986-87 O&M Budget where I can give statistics and anything else that the Member might want to have. With regard to any changes, I do not know how specific the Member is getting. I do not know what she wants to know. For instance, did we have a lot more children in our care under *The Children's Act*, or did we have more young



offenders in our care under the *Young Offenders Act*, or what? I do not know the kind of information the Member wants.

**Mrs. Firth:** I can read the statistics and I can read the numbers in the Main Budget. I will have some questions for the Minister. I will put the Minister on notice now that I will have questions about the reorganization and how it is being implemented and how it is working. We would like some answers. We are going to be expecting some answers.

We are talking about \$6,158,000 under the Community and Family Services line. This is a lot of money. Were there any major shifts in there that because of any new initiatives or any direction that the department took, that required an expenditure of funds and perhaps had to be covered off with an amount of lapsed funds so that they could arrive at a perfect figure?

**Hon. Mrs. Joe:** I cannot be specific and list every one. If the Member wants to know if there was anything new that is not listed under here, or not provided for in the O&M Budget last year, then I can come back with the information that she might want. We put a lot of emphasis on the young offenders program simply because it was controversial, it was new and there were a lot of changes that had to be made. There was a lot of extra work that was done on that.

We hired someone on contract to work for us. That was included in that program. We also used lapsed dollars for that, as well. We did not have to go over budget.

**Mrs. Firth:** I think the Minister has the responsibility to justify to us why this balance is like this. I can stand and ask her question after question after question. I want the Minister to tell me where the major changes, major shifts or major fluctuations were, how much the dollars involved were, where they found the money if they needed more, what they did that required more money and how they arrived at a balance?

**Hon. Mrs. Joe:** We go about our business and we do the work as it is needed. It is not a department where you say that this year we are going to take into our care 50 children. We may end up with 150. We do predict that in the O&M Budget, but it is an estimate. There are things that change throughout the year as there are in every other department.

If there are some changes and if the Member wants me to bring back more information, to be more specific, I can do that. I can provide the Member with that. I have no problem doing that. There have been changes with regard to the *Young Offenders Act*. We have had to deal with those changes that were taking place. I do not have the figure of how many other children are in our care as a result of *The Children's Act*, but things change throughout the year.

I can come back to this House with more information for the Member for Riverdale South. It would certainly give her all the information that she needs. If she wants me to elaborate right now, I cannot do it.

**Mr. Lang:** I think that is our concern. We recognize the flexibility that is needed within the department to do the job. We hope that in any given year that we vote a budget that you will have fewer welfare clients than you had projected. We are dealing with a supplementary here that indicates that everything that was projected in July and passed in October, has come to pass. Perhaps we have been around here too long to believe that that could happen.

I asked a specific question, and perhaps the Minister could give me that specific answer: did they spend \$1,241,000 on young offenders this past year, and hire 11 people to do it?

**Hon. Mrs. Joe:** The Young Offenders comes under Family Counseling Services. As to whether some of this \$6 million was an allocation to the Young Offenders, I do not have that at my fingertips. I can come back with it without any problem. If I had anticipated that Members on the other side of the House were going to ask me these questions, I would have had the answers. I have figures put together for the O&M Budget. I do not have that kind of information in front of me. I cannot tell him, for instance, how much of the \$6,158,000 of the Community and Family Services was allocated for the Young Offenders Program. If he wants me to, I can come back with that information.

**Mr. Lang:** In deference to ourselves, we are asking some specific areas in new areas, which were new programs. It is not as

if it is an ongoing program that we have dealt with in one manner or another, Yukon Health Care Insurance Plan, or something like that. I would like to know exactly how much was spent in this past year. We had a line item that was clearly identified in the previous budget. I am assuming that this is the area that I ask it in.

**Hon. Mrs. Joe:** I would like to be able to tell the Member what we spent on Young Offenders, but I cannot. We are still in the fiscal year of 1985-86. I stood here and said that I would bring the information back to the Member when I had it available. I can do that.

**Mr. Lang:** I recognize that you are not going to be within \$1.50 of the projected cost, but your requirement under the *Financial Administration Act*, we do not have to go through again. I think your officials realize the implications, if they are over as far as expenditures are concerned.

Am I in the right section, asking about Young Offenders, because of the reorganization, or is it in the next one under Human Resources? I am dealing with a budget here that has Administrative Services, Community and Family Services, and Human Resources. Does Young Offenders fall under Community and Family Services?

**Hon. Mrs. Joe:** Juvenile justice services comes under Community and Family Services.

**Mr. Lang:** What is Juvenile Justice Services?

**Hon. Mrs. Joe:** That is the part of this department, or this branch, that deals with young offenders.

**Mr. Lang:** I leave it to the Chair how he is going to deal with this, but I am asking quite a substantial question. If the Member for Riverdale South has further questions on this particular line, maybe we could set it aside and move to the next one, just to expedite business. I do not want to hold up the work of the House, but I think there are legitimate questions being asked.

**Hon. Mrs. Joe:** If he wants specific information I would like to have specific questions. If the Member for Riverdale South has questions with regard to the same item I would be happy to be asked them. He asked what juvenile justice services was and I said that that was the heart of the community of family services that dealt with young offenders.

**Mr. Lang:** Just from curiosity, looking at the department administration, I imagine there would be adoptions, juveniles, probations and all these kind of things. This is very difficult for us to follow here. The juvenile probation estimates for 1985-86 was 160. Just out of curiosity, did we meet the 160 for probations, or did we have less or more?

**Hon. Mrs. Joe:** I think that we met that amount, the amount we had indicated. I am not sure whether or not we have gone over it because we have not come to the end of the fiscal year.

Under the juvenile justice program, we have a group of people who are working in the department to deal with kids who are charged under the *Young Offenders Act* and they work with those kids. We have the group homes, the assessment center and we have the Fifth Avenue group home. That is the heart of the program that is under the juvenile justice services. We also have the diversion committee and the diversion council to deal with alternative measures. It deals with assessment and treatment services required to fulfill youth court orders, probation services to assist the youth court in making decisions, prevention and education measures to encourage crime prevention and generally reduce the incidence of youth crime.

These notes I have are from the O&M Budget for this year. I could be very specific when the Members on the other side of the House want these kinds of answers on the O&M Budget, and am prepared to do it when I have the information in front of me. However, right now we are dealing with the 1985-86 Supplementary Estimates No. 2 and they are being very specific. I would like to be able to stand here and answer every single question and I can if I have the information in front of me. I can if I know it off the top of my head, but I would be prepared to thoroughly discuss this more in the O&M Budget.

**Hon. Mr. Porter:** I move that you now report progress on Bill No. 17.

*Motion agreed to*

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

**Chairman:** It has been moved by Mr. Porter that the Speaker do now resume the Chair.

*Motion agreed to*

*Speaker resumes the Chair*

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

**Mr. Webster:** The Committee of the Whole has considered Bill No. 17, *Fourth Appropriation Act, 1985-86*, and directs me to report progress on same.

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

**Some Members:** Agreed.

**Speaker:** I declare the report carried.

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

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

*Motion agreed to*

**Speaker:** This House now stands adjourned until 1:30 p.m. tomorrow.

*The House adjourned at 5:30 p.m.*