



The Yukon Legislative Assembly

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HANSARD

Thursday, April 17, 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

⁰¹ **Whitehorse, Yukon**
Thursday, April 17, 1986 — 1:30 p.m.

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

Prayers

Point of Privilege

Hon. Mr. Kimmerly: I rise at the commencement of the day to recognize that today is the fourth anniversary of the coming-into-effect of the Canadian *Charter*, the new Constitution, and the first anniversary of the coming-into-effect of Section 15, or the Equality Section, of the *Charter*.

Today is also Law Day, and I would introduce the reason for Law Day by reading a quote from Will Rogers. It says, "The minute you read something you can't understand, you can almost be sure it was written by a lawyer". Law Day is dedicated to making the law understandable and for laypeople to regain control over the law.

DAILY ROUTINE

Speaker: We will now proceed to the Order Paper.
 Are there any Introduction of Visitors?

INTRODUCTION OF VISITORS

Mr. Lang: I would like to introduce to the House two visitors from the good community of Faro, Ted and Ann Bartsch.
Applause

⁰² **Speaker:** Are there any Returns or Documents for Tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mrs. Joe: I have for tabling a study commissioned by the former government in March 1985 on the Young Offenders Secure Facility Functional and Space Program, with an explanation.

Speaker: Are there any Reports of Committees?
 Are there any Petitions?
 Introduction of Bills?

INTRODUCTION OF BILLS

Bill No. 25: First Reading

Hon. Mrs. Joe: I move that Bill No. 25, entitled *An Act to Repeal the Cancer Diagnosis Act*, be now introduced and read a first time.

Speaker: It has been moved by the Minister of Health and Human Resources that Bill No. 25, entitled *An Act to Repeal the Cancer Diagnosis Act*, be now read the first time.

Motion agreed to

Speaker: Are there any Notices of Motion for the Production of Papers?

Are there any Notices of Motion?

Are there any Statements by Ministers?

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

QUESTION PERIOD

⁰³ **Question re: Land Claims**

Mr. Phelps: Some time ago there was a bit of a controversy in the public domain with regard to a certain clause in the proposed Memorandum of Understanding that was entered into by negotiators on behalf of the three parties involved in land claims. It was ratified in December by this government and the Council for Yukon Indians.

Have any further negotiations taken place with regard to problems

with the veto contained in clause 6 of that document.

Hon. Mr. Penikett: I cannot give a specific report on specific further negotiations. As the Leader of the Official Opposition knows, there was a letter of understanding that was concluded following the agreement on the Memorandum of Understanding. The view of the three parties remains different from the view expressed by the Leader of the Official Opposition. The view of the three parties is that no veto was meant or intended in the clause to which I believe he is referring.

Mr. Phelps: In making that statement about the view of the three parties, is the Government Leader saying that the federal Cabinet has expressed that view?

Hon. Mr. Penikett: Not yet. The view of the federal negotiator and the federal Minister responsible is clear. We await a decision from the federal Cabinet, which I believe was not to be forthcoming until the federal Cabinet had decided upon some of the issues raised by the task force, or the land claims review process.

Mr. Phelps: I was not aware that the Minister of Indian Affairs had expressed a view as to the actual meaning of clause 6. My understanding was that he did make a statement that no veto was intended. Can the Government Leader tell me that I am mistaken, that he did come out with the actual meaning of clause 6?

⁰⁴ **Hon. Mr. Penikett:** Once again I have to remind the Member that it is not the responsibility of parliamentarians or politicians to express legal opinions; lawyers do that. There is a good reason for that. The courts exist for that purpose. Parliaments exist for the purpose of debating policy.

It is the policy view of the federal Minister, who is not a lawyer, and it is the policy view of this Minister, who is not a lawyer, that no veto was meant or intended. Whether some lawyer somewhere can put another construction on the words is entirely possible.

Question re: Land claims

Mr. Phelps: There is some concern. The negotiators, or some people, did prepare the document known as the letter of understanding, that purported to make some kind of difference. I would be very interested in knowing whether or not the Department of Justice for the federal government has expressed its opinion on the matter, so that the issue regarding clause 6 could be put aside.

Hon. Mr. Penikett: As the Member opposite well knows, letters of understanding following memos of understanding are not unusual. I believe that he signed a letter of understanding clarifying certain matters following the memorandum of understanding that he also signed some years ago.

If the Department of Justice has expressed an opinion on the matter, they have not expressed it to us. If they have given an opinion to the federal Minister, he has not communicated it to us.

Mr. Phelps: Does the Government Leader not think that this government ought to get an independent legal opinion on clause 6 and the letter of understanding which, in the opinion of the people from whom we have sought legal advice, it did nothing but muddy the waters further? Would the Minister try to find out what the federal government's opinion of that clause is? It would be a shame if that was the only obstacle standing in the way of negotiations beginning in earnest.

Hon. Mr. Penikett: I assume that negotiations have already resumed, and I assume that they are in earnest. Whether I am prepared to spend money on another legal opinion to clarify something that is not unclear to us, I would have to consult with my colleague, the Minister of Justice, as to whether that is even worth doing.

Our land claims negotiator is, at this moment, in the east. I do not believe it is any secret that he is meeting with federal people responsible. I expect that the Memorandum of Understanding and the implementation of it is a subject of discussion.

⁰⁵ **Mr. Phelps:** Will the Government Leader undertake to advise this House if and when negotiations take place with regard to clause 6 so that that obvious obstacle can be set aside once and for all?

Hon. Mr. Penikett: Let me emphasize that it is not an obstacle to any of the three parties at the table at this moment. Should it become an obstacle — I understand that it is an obstacle in the mind of the Leader of the Official Opposition — elsewhere, or should it

impede our negotiations in some way, yes, I will certainly take whatever action is necessary to unimpede the negotiations. Yes, I will probably, in time, report to the House.

Question re: Northern Canada Power Commission transfer

Mr. McLachlan: My question is directed to the Minister of Government Services. Yesterday, during debate on the NCPC motion, we heard the classic position as enumerated by the Leader of the Official Opposition, wherein he referred to, "to have the private sector own as well as operate some of the retail assets of the Northern Canada Power Commission upon transfer, and a flexibility to trade off the assets, and to swap some of the assets". Does the Minister agree with the position, from the government side, as enumerated by the Leader of the Official Opposition?

Hon. Mr. Kimmerly: The motion that the government voted for talked about ownership, control and management. I will not interpret the position of the Leader of the Official Opposition; he is capable of doing that himself. The position of the government is that the Yukon Development Corporation should own all of the Yukon assets of NCPC.

Mr. McLachlan: Again, to the Minister of Government Services: it is of some interest, certainly to the taxpayers of the Yukon, to know whom they are dealing with on the transfer of the assets, and who is calling the shots as far as Yukon Electrical is concerned. Would the Minister undertake to table a list of the Yukon Electrical Board of Directors for this House?

Hon. Mr. Kimmerly: That, of course, is public information. It would be, I believe, an abuse of the rules to table public information here. I would advise the Member opposite, if he wishes to publicize the list, to acquire that list and table it.

Mr. McLachlan: If it is the intent of the government to eventually sign a workable agreement with Yukon Electrical, it is in the interest of the taxpayers of the Yukon to know who has the interests in Yukon Electrical Company Limited. Can the Minister obtain for the House who the shareholders of that company are, so that Yukoners may, indeed, be content in the satisfaction that there will be considerable local ownership of that power corporation here in the territory?

Hon. Mr. Kimmerly: The question was can I do such a thing? I am probably capable of it. The lists of shareholders are not normally public information, I believe. The residence of the shareholders may be of interest to us and I will check to see if an analysis was done to determine the percentage of Yukon ownership based on the residence of the shareholders.

I would caution the Member, though, that ownership could change at any time, in that persons or corporations who own shares could sell them. The government has no particular interest in regulating that in any way.

Question re: Whitehorse Assessment Centre

Mr. Phillips: Has the Minister of Health and Human Resources met with the residents of Greenwood Place recently and discussed her proposal to turn the Assessment Centre into a secure facility for young offenders? If she had such a meeting, how many residents were at the meeting?

Hon. Mrs. Joe: I did have a meeting with residents of Greenwood last Friday. There were 12 residents in attendance, but they represented other persons from the home as well. I have notes that I took at the meeting. I was there mainly to find out what their concerns were because there was some indication to us that they did have some concerns. We were there to listen to them and to talk to them about the Assessment Centre across the street. That was the issue in question at the time.

Mr. Phillips: Can the Minister tell me if all of the residents of Greenwood Place stayed through the whole meeting? At the end of the meeting, did the residents support the concept of a secure young offenders facility, or even in its present state as an assessment centre? Did you get that impression from the residents?

Hon. Mrs. Joe: One person left and felt that we were there to push something on them. I thanked him for his input. The majority that were there were not in favour of turning the Assessment Centre into a jail. I recognized the fear that had been instilled upon them as

a result of all of the publicity.

However, I do respect their concerns and I listened. It was the first time that any government had ever gone over to there to listen to their concerns with regard to the Assessment Centre.

Mr. Phillips: Will the Minister of Health and Human Resources be proceeding with the plan to change the Assessment Centre into a closed custody facility after hearing the views of the residents of Greenwood Place?

Hon. Mrs. Joe: The concerns were seriously taken into consideration, and I will be announcing a decision on what we are going to do with that facility.

Question re: Traplines

Mr. Brewster: Is the non-use of a trapline sufficient reason for the Minister, or his department, to either reassign the trapline, as he indicated to this House on April 1, or to impose a probationary period on the trapper?

Hon. Mr. Porter: The question of non-use being the final determinate with respect to removal of a trapping concession from a trapper is a question that has to be dealt with fairly, inasmuch as there may be many reasons why the trapline was not used. It would be the reasons that would be contingent upon making a decision.

Mr. Brewster: Has the Minister or his department investigated any of the 24 percent of the traplines currently not being used, and what is he doing about getting them reassigned if they are not being used at the present time?

Hon. Mr. Porter: The Member raised a question either the beginning of last week or the week before. I obtained the information for the Member, which he is utilizing in Question Period today. It does indicate that 24 percent of the 45 traplines in the area are not utilized.

With respect to the question of further investigation, my assumption, which is based on discussions with departmental officials, is that there is a process of investigation proceeding presently concerning those and other traplines as well as an attempt to find, for the trapping year 1985-86, whether or not there were further traplines that were not utilized, and for what purpose. Upon conclusion of such investigations, I will undertake to make the Member aware of the findings of the department.

Mr. Brewster: Does the Minister, or his department, make decisions regarding reassignment, probation, or other actions about traplines on a line-by-line basis, or does the department have a policy to guide and govern decision-making in a fair and uniform manner?

Hon. Mr. Porter: My information with respect to policy is that there is a policy in place that specifically addresses this question. It is uniform. I would hope that it is fair in its application.

Question re: Job Evaluation Study

Mrs. Firth: The cutoff date for employees to appeal the results of the Job Evaluation Study was March 14, 1986. I recognize that the Government Leader will not have the exact figures at his fingertips; however, could he tell the House if there have been any appeals, and if so, approximately how many?

Hon. Mr. Penikett: The last time I asked, there had been 98 appeals. We had expected between 100 and 150 to go to the board hearing, based on industry experience elsewhere in introducing such systems.

Introduction of Visitors

Hon. Mr. Penikett: While I am on my feet, I wonder if I could take this opportunity to call attention to the presence in the public gallery of two honoured guests: Pat Duncan, from the Office of the Deputy Prime Minister, Mr. Erik Nielsen, in Ottawa, and Diane Granger, the Chair of the Water Board.

Applause

Hon. Mrs. Firth: That was a pleasant interruption. Could the Government Leader tell the House how the appeal process is being handled? Is there a committee or a board, and what is the process of that board?

Hon. Mr. Penikett: There is a board. How is it being handled?

very carefully, very fairly I hope. The appeals can be lodged by employees or by a deputy minister. Step one is a review of the job by the Public Service Commission and step two is a hearing before the Appeal Board, and consequently there is a decision.

Mrs. Firth: Could the Government Leader tell us when he expects all the appeals to be heard and resolved?

Hon. Mr. Penikett: I do not have that information at my fingertips, but I will get back to the Member.

Question re: Treasure hunt

Mr. Coles: My question is for the Minister of Tourism. Could the Minister advise the House if there are good concrete reasons why Yukoners are being exempted from the treasure hunt he is going to be holding in the Yukon this summer?

Hon. Mr. Porter: I draw to the attention of the House that I did provide the Member an opportunity to raise his concerns with respect to the issue when I tabled a Ministerial Statement on the very subject, and if the Member would so wish I would advise him to read *Hansard* where those reasons are outlined.

Mr. Coles: The reasons the Minister gave in his response to the Member for Porter Creek East are not what I consider to be good reasons and not what many Yukoners consider good reasons. What advantage would Yukon people have over tourists who may be coming into the territory in finding the treasure?

Hon. Mr. Porter: Clearly the right of the Member to disagree with government policy is that: his right. With respect to the question of why we adopted the treasure hunt guidelines as we did is because the decision was predicated on the premise that we want to attract more tourists to the Yukon. That is the goal of tourism generally and that is the goal, specifically, of this marketing effort. The end result would see it as counterproductive to be opening the contest to people of the Yukon when our real goal is to attract tourists to the Yukon. In terms of the benefits that would accrue, tourism is a strong industry in the Yukon and is growing every year. It is a major industry in this country and provides many jobs for the people of the Yukon. It provides cash income. I would suggest that the greater the number of tourists who visit the Yukon, the greater amount of good it will do for the people of the Yukon.

Mr. Coles: Could the Minister tell us what is counterproductive about Yukoners touring their own territory?

Hon. Mr. Porter: There is nothing wrong with that and I hope that they do so.

Question re: Curragh Resources local hire

Mr. Lang: Perhaps the consultant who is doing the janitorial study could put some time in on this particular problem and could report back to the House in a year.

I have a question for the Minister responsible for Curragh Resources. It has to do with a question I asked at the beginning of the session about inequities of people being hired locally, who are requested to pay for their transportation to the mine site and also their room and board, when people brought in from Saskatchewan mainly, and getting paid more, are not having to pay the daily stipend for food and board, as well as their own transportation. Did the Minister check into that particular concern that I raised with him?

Hon. Mr. Penikett: The Member asked a couple of questions on that general subject. I can give him answers to the extent of my information at this moment.

We confirmed with Curragh that its main contractor, Altus Construction, treats all employees equally whether they are from the Yukon or from out of the territory. They pay their own transportation and room, board and costs. There are, however specialized contractors on site conducting short-term projects and they are not part of the permanent workforce.

It is, I am told, normal practice, for companies that require their employees to travel to various work sites for short periods of time, to provide these services. Such services are in effect with short term contractors on site and are a matter of agreement between the individual contractors and the employees.

At the time the Member asked that question, he also asked a question about the Watson Lake office of Altus Construction. We

were told that the purpose of that office and the one staff officer there was to recruit through the area. That person also spends time in Whitehorse and Faro, as well. I am told that the applicants from the Watson Lake area were not as numerous as anticipated and it is expected that the office will not remain open.

Mr. Lang: I hope that the Minister, in his first answer, is not going to accept the principle that there are going to be some people who are going to get free room, board and transportation, yet the others hired in the Yukon will have to pay.

I asked whether or not the Minister was prepared to negotiate within the scope of the Management Contribution Agreement with Curragh Resources whether or not that principle could be discussed and agreed on between the two sides. Has the Minister taken any steps in that direction?

Hon. Mr. Penikett: I agree that there should be no discrimination whatsoever with respect to employees from the Yukon. Except that we want them to have preference for the jobs, clearly there is nothing contemplated, either by the employer or with any encouragement from us, that would allow people from outside to have a better deal. The situation, I am advised in this case, is in terms of specialists and short term contractors who come in.

Let me make this perfectly clear, lest there be any misunderstanding. The Government of Yukon is not going to be negotiating a Collective Agreement between employees at Faro and the company. That is not our business. Our objective in the Contribution Agreement is to achieve, and find expression for, the broad principles and the master agreement and making sure that we maximize for Yukoners, as a community, employment opportunities and business opportunities.

We will not be dealing, unless there are labour standards complaints or something within Yukon law, with matters of the feeding the employees or whether they are paid travel time to and from the job.

Mr. Lang: I raise what I believe to be a very legitimate concern. I do not know if the Minister is aware but there has been quite a turnover of workers on the site, to the point where I was told that one day there were 17 who left the job site. On the following day there were 16. This, to a large part, had to do with the change of rental schedules that were presented to the employees.

All I am asking is that within the scope of the Master Agreement that there be equal opportunity for employees as well as equal pay for employees who are Yukon residents versus those from outside. I do not think it is too much to ask when Curragh Resources has, in one manner or another, major commitments from the taxpayers of the Yukon amounting into the millions.

Hon. Mr. Penikett: I understand very well what the Member is saying. We have heard some of the concerns expressed and have some of the same information about the turnover that the Member has expressed, especially at that point when the daily accommodation rate was raised.

In our discussions with company officials, this, to some extent, was anticipated. Some of the people employed there had said that they would rather go back on unemployment insurance in Whitehorse than stay in Faro. The company is interested in employees who are prepared to make a commitment to Faro, who are prepared to move into the houses there, are prepared to bring their families there, and are prepared to make it their home and their community, as well as their workplace.

As to the question of pay discrimination being suffered by Yukon workers, if there is any evidence of pay discrimination being suffered by Yukon workers, we will pursue such a matter very vigorously. Were there evidence of that, in my view it would be inconsistent with our agreements with Curragh, because it would have the effect of doing the opposite to what we want, which is to maximize Yukon hire.

Question re: Traplines

Mr. Phillips: I am wondering if the same policy that is in place for the review of inactive traplines is also in place for the review of active traplines. Do they review active traplines to see how much activity is on them, and the results of things such as this?

Hon. Mr. Porter: The general response would have to be

positive, but it has to be caveated by the fact that we have limited resources with respect to the conservation officers whom they are able to employ in this government. In actual fact, we cannot continue a policy of policing, nor would we ever agree to such a policy. The system, as it works, is that if a complaint is received by the conservation officer in a district about a particular use or non-use or violation with respect to a trapline, they would then, based upon the complaint, investigate that particular trapline.

Mr. Phillips: Can the Minister tell me if there has been a complaint lodged with respect to the trapline in the Rose Lake area? I think the number of the trapline is 293. On that trapline, the trapper is currently on extended probation. He has already had one year of probation. He went out and actively trapped his line and now he is on extended probation for a second year.

Since that is the only reason that they investigate active traplines, can the Minister tell me if there is an actual complaint against that trapper?

Hon. Mr. Porter: With respect to this particular question, we have had some discussion in the House on that particular trapline. I am not aware of a complaint, per se, lodged by any particular group or individual. My understanding is that the department felt, in their view, that the individual did not trap a full season. The production of his efforts were very limited, so it was their advice that there be an extended probationary period for the next trapping season.

Mr. Phillips: Why is the Minister not putting every single trapline that has not been trapped in the last one, two or three years on immediate probation as he has done this trapper, who has been trapping and maybe not met the requirements? If the department says it is because he has not trapped enough, or gotten enough furs in his trapline or whatever, can he tell me, if they have a policy for that, why they have not instituted that policy? They could put every single trapper, who is not trapping, on notice so that we may either get the trappers back out in the bush to increase the amount of furs we catch in the Yukon, or allow other people who wish to trap to get on these lines and get to work.

Hon. Mr. Porter: In response to that mini debate, it should be clearly recorded that this government fully supports the position of maximum utilization of traplines for the benefit of the territory with respect to its economic return. Regarding this particular trapline, the Member is asking that we take the decision that has been registered with trapline No. 293 and simply apply it to those 24 percent of traplines that were not trapped. This is a different case inasmuch as a probationary licence was granted in year one, and we have simply come to a decision to extend that probationary licence into year two.

Question re: Yukon Development Corporation

Mr. McLachlan: My question is for the Government Leader. Is it the intention of this government to soon name a chairman for the Yukon Development Corporation?

Hon. Mr. Penikett: It depends on what you mean by "soon". I would want to be more confident about the actual date of the transfer. We will be activating the corporation and naming a board of directors when the actual transfer of the assets of NCPC is on the immediate horizon.

Mr. McLachlan: Yesterday, I quoted a particular case of a senior person who is in the market and available in another hydroelectric utility operation in British Columbia. Could the Government Leader give the House some indication of where he would expect to get such an individual, either in the private sector or from another public utility or patronage appointment or perhaps an executive assistant looking for a job?

Hon. Mr. Penikett: The Member opposite is fishing for a patronage appointment, but, unfortunately, his friends who know anything about power seem to be feeding him questions for the House rather than supporting this transfer, so I do not think they would be particularly good candidates for the board of directors since they do not seem to be supporting this government's initiatives, or our broad policy objectives.

We will be looking for knowledgeable, capable Yukon people who support, in broad terms, the government's objectives and can bring the kind of expertise and knowledge to this board that would

do it credit.

Mr. McLachlan: Will you allow the new chairman to be free to pick his own help in running the Development Corporation, or is it the intent of the government to fill the positions in the Development Corporation themselves?

Hon. Mr. Penikett: The top management spot in the corporation may, conceivably, have to be decided before the board is selected. From the point that the board is chosen, I would see them as being in charge, subject to whatever policy direction the government may see fit to give them.

Response re: Banking services

Hon. Mr. Penikett: While I am on my feet, I would like to answer a question that was put to me yesterday by the Member for Porter Creek West on the territory's call for banking services. The Department of Finance plans to issue calls for proposals to all major Canadian bank institutions early in May. That call will be for uniform proposals, with standard features, the details of which Finance is putting the finishing touches on now. That will be necessary so that responses can be compared.

There will be a call for the YTG banking services and also for additional banking services in rural communities, as I previously indicated to the House in my Ministerial Statement on March 25.

The government will review the proposals over the summer, and we hope to have a contract with the chosen institution by fall.

Question re: Banking services

Mr. Nordling: In that Ministerial Statement on March 25, 1986, the Government Leader stated that the government intended to obtain the services of a consultant to report on the feasibility of developing a government-run agency banking arrangement. Could the Government Leader tell us if this has been done?

Hon. Mr. Penikett: I do not believe we have retained a consultant yet, although I should tell the Member that we have had some communications with the Province of Alberta, who were the people who implemented an extremely successful treasury branch system in that province many years ago. As well, we have had a communication from another Canadian bank, who have been asked to explore such an operation elsewhere in the country, and would like to make their services available to us, too.

I believe the reason that there may be a number of other governments and institutions interested in what we are looking at here, and so we may be able to share some costs or share some experience, is that there has been a pattern in recent years similar to that experience here of rural bank closures in Canada. We have lost two rural bank branches in the Yukon Territory. That is happening elsewhere, and it is causing significant public concern for the provincial and municipal governments elsewhere in the country.

Mr. Nordling: Has the Government Leader established a timeframe for receiving a consultants report in this area?

Hon. Mr. Penikett: Not a firm timeframe. I am not absolutely sure, at this point, what kind of consultant would be the best to do such work. There might be arguments about whether we could use some financial services firm, or some of the standard big consulting houses, or whether it is possible that it is something that we could do in cooperation with a smaller chartered accounting firm that might be based locally.

Mr. Nordling: The third component of the government strategy was to have the Department of Economic Development: Mines and Small Business initiate a study to identify sources of capital available for small business. The idea of this was to make available, and expand access to, investment capital in rural areas. Could the Government Leader tell us the status of that study?

Hon. Mr. Penikett: If it has been started, it certainly has not been finished. It is a related problem to the one we have of rural banking services. The gap that we have identified in a previous study is one of access to venture capital, which is a particularly serious problem.

The Government of the Northwest Territories has an innovative plan for solving that problem in that area, which may or may not be a useful model for us. A number of other provincial governments have addressed themselves to the same problem. I think that we will

be wanting to look at the experience of other jurisdictions, as well as at other models that may be available to us.

It is just possible, for example, to give the Member some taste of the full range of options, the Development Corporation could play a role in that there could be some new financial agencies or institutions that are not presently operating here. They might, under certain terms, be interested in coming here to offer those services to rural Yukoners.

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

MOTIONS RESPECTING COMMITTEE REPORTS

Motion No. 1

Clerk: Item No. 1, standing in the name of Mr. Phelps.

Speaker: Is the hon. Member prepared to proceed with item 1?

Mr. Phelps: Yes.

Speaker: It has been moved by the Leader of the Official Opposition THAT the Seventh Report of the Standing Committee on Public Accounts, presented to the House on March 20, 1986, be concurred in.

Mr. Phelps: I am very pleased to speak to this motion for concurrence. I want to say, at the outset, that I am also very pleased and honoured to be Chairman of this Public Accounts Committee. It has become precedent that the Leader of the Official Opposition be Chairman. I am grateful because it has certainly been a very rewarding experience.

It has been rewarding because, in the course of formal hearings, all of us have had a unique opportunity to examine, in minute detail, the management and workings of departments in government. In this process, we have gained insight with regard to the use of various management tools that should be utilized in order to ensure that the financial and human resources of government are used as effectively and as efficiently as possible.

It has also been rewarding because all the Members on the committee did put partisan politics to one side and worked earnestly together as a team. I am especially pleased with the effort that each and every Member of the committee put into performing his or her duties and put into being a valuable team player.

It has also been rewarding to work with such dedicated people as Missy Follwell from the Clerk's office, Raymond Dubois, Alan Beaton, Don Young and Elwyn Dickson from the office of the Auditor General of Canada. I have been pleased, too, with the cooperative attitude of all those departmental officials who appeared as witnesses before our committee.

¹⁴ By way of reporting to the House, I want to say that we had a full round of hearings in January. We examined two departments: Tourism and Economic Development: Mines and Small Business.

We also followed up on previous years' reports in connection with the other departments and, as part of our formal hearings, reviewed the Auditor General's Report on "any other matter" to determine what, if any, action has been taken or is planned on the recommendations contained in that report.

Two main areas of concern emerged as a result of the formal hearings. First, we were concerned about the number of recommendations outstanding from the Public Accounts Committee Reports from previous years. Prior to the 1986 hearings, there were 25 outstanding recommendations. After hearing testimony, two were deemed to be fully implemented, one was revised to reflect partial implementation and one was withdrawn. The Committee, therefore, intends to, and has started to, take a more active role through an ongoing review process to ensure that its recommendations are either implemented or that there are sound reasons for lack of implementation, in which case the committee will withdraw or revise those recommendations.

Second, and more specifically, we were concerned with the general lack of progress made by many departments in developing and utilizing performance management indicators as a basic tool in managing the day-to-day operations of the various departments, or in providing more meaningful information to the Legislative Assembly.

Because of the importance we attached to this, we decided to devote a report item on it and to pursue the matter more vigorously. The specific recommendations of the committee are tabled in the House, and I do not intend to speak to them at this time. I am sure that all committee members will welcome the comments and reaction from the Ministers and other MLAs. I feel confident that present Ministers will, as did their predecessors, respond in a positive and constructive way to our recommendations. Therefore, I urge upon all Members the adoption of the motion for concurrence in this report.

Mr. McLachlan: I want to reiterate the remarks of the Leader of the Official Opposition, and I want to say that the experience of being able to very closely check and monitor the inner workings of departments that previously no mechanism existed for, is indeed a very valuable one for all members of the committee.

I was responsible for two areas, one on follow-up, and a major one, Economic Development: Mines and Small Business. The follow-up was done in the Public Service Commission Report, and I understand that the Government Leader, of course, in his capacity as Minister for that department and Economic Development: Mines and Small Business, has to some extent been on the inquiry end before and now, after six years, he is on the receiving end of some of the criticism. I hope he will take it for what it is worth.

¹⁵ A very controversial subject surfaces time and time again throughout the hearings, and that is one of performance indicators. With the Public Service Commission, there is some feeling as to whether the performance indicators should be in such a form that it is used extensively in that department to measure an output as opposed to a department, like the Department of Transportation Services, which has a more easily measurable finite delivered product, as opposed to one that is in a service sector responsibility.

The committee still feels that whatever the end result of that debate is, that some measure of impact, some measure of the performance of the department, should still be in place, no matter how you want to measure it, small or large. There has to be some qualitative, quantitative way of determining if the Deputy Ministers are managing their resources efficiently and reliably, no matter how big or small.

On the particular issue of the Public Service Commission, I do not want to belabour a lot of the detail that we discussed during the Public Accounts Committee meetings on the PSC. Some of those subjects are the extent of ongoing changes right now that the Minister has indicated to the House that he is working on. That had to do with the hiring of the casuals, and the development of a human resource inventory control system to effectively tell the government the amount of their resource people who were available, short-term, long-term, on casual contract positions.

With respect to the Department of Economic Development - Mines and Small Business, it was two years ago, in 1984, that a major review was done on this department. At that time as well, the department was undergoing change. I have no doubt in saying to this House that this is the one particular department that has still continued to undergo a great degree of change. Tourism, for example, was moved completely out at one point, and Mines and Small Business were added in early 1984.

Some recommendations had been made by the previous Public Accounts Committee that were outstanding, but because of this extensive reorganization that I have referred to within the department, obviated the need and the desire for immediate answers. The Committee agreed, in executive session, to let the Deputy Minister spell out his objectives, goals and determinations of the department, as he understood them.

I want to say to the Minister responsible for that particular department that the Committee was impressed by the knowledge, expertise, understanding, efficiency, with which the new Deputy Minister was able to tell us of the problems and the directions and his understanding of what had to be done within the department to correct a number of problems he perceived — this after only 90 days on the job.

I want to put the Minister on notice that we will be continuing to follow up and monitor the results in that department as they come

forward. The Deputy Minister had clearly recognized that there was an extremely low uptake on a number of the energy programs, and realized that he had to proceed immediately in a manner that made better utilization of the amount of money budgetted and the 10 percent, or less, utilization of a number of the energy programs.

We were also able to determine some insight into the roads to resources program. I do not want to belabour that too much further, in that the directives and the issues and the background and the policy on that has been developed since the Committee had its meetings in January. We have become more aware of what the objectives of that program are now.

¹⁶ In closing, I would like to say that I have enjoyed the work on the Public Accounts Committee, and working with the other four members on the committee from the Auditor General's department. I look forward to more Public Accounts Committee meetings in future years.

Mr. Webster: I would like to start off by echoing the words of the Member opposite, and the Chairman of the Committee in saying that I thought this was a very good committee. We worked well together, we got a lot of work accomplished, and we managed to have some fun as well.

As a new member of this Committee, not being familiar with the ins and outs of the public accounts, I found it particularly challenging to take the role of lead-off questioner for the Department of Tourism. I found that to be a very valuable learning experience in general.

The Public Accounts Committee invited the Department of Tourism to appear before the Committee on Wednesday, January 15 and on Thursday, January 16. Testimony was provided by Mr. John Lawson, Deputy Minister, Russ Graham, Director of Tourism and Development; Mr. Dale Perry, Director of Heritage on both days, and by Pat Dixon, Expo 86 Coordinator on Thursday only.

As a result of several changes in the department, the overall administration of the department, was not as efficient as one would expect. Nonetheless, the Committee is concerned that, due to a general lack of focus, the taxpayer has not been getting good value for the resources expended in this department. For example, in the area of performance measurement, it became evident, from testimony by the witnesses, that there is very little, if any, initial and ongoing analysis or evaluation of department activities. Such observations prompted the Committee to make the following recommendation: the department should pursue immediately the development of performance measurement indicators in the areas of program activities and human resource management that would lead to (1) improving the efficiency and effectiveness of its programs, and (2) providing more meaningful information in the estimates.

In summary, the Committee was pleased to hear the admission from the Deputy Minister that there has been a lack of performance measurement and in general program evaluation, but, more importantly, his assurance that as this is a major personal concern, specific corrective steps will be taken in the very near future. This Committee will be monitoring progress as target deadlines, referred to by the Deputy Minister, are reached.

Turning to Heritage, the Committee was somewhat surprised to learn that the operational plan of the Heritage Branch is "determined, to a large extent, by our budgets". Additional evidence indicated that the branch does not appear to have any fundamental planning tools in place to assist in establishing priorities. The Committee concluded that, generally speaking, the branch lacks a clear focus on where it is going and how it plans to get there. Given the ever-increasing level of funding, the Committee is concerned that the branch does not have a more comprehensive plan for the future of Yukon's heritage and, consequently, made the following recommendation: the Heritage Branch should develop an operational plan with clearly defined priorities.

The Department of Government Services was called before the Public Accounts Committee on January 8, to deal with two outstanding PAC recommendations. The witnesses included Mr. Andy Vantell, the Deputy Minister, Mr. Sam Cawley, Director of Supply Services, Mr. Bill Davies, Director of Public Works.

¹⁷ This recommendation from 1983 deals with the formalization of

procedures and states that the department should formalize the duties and responsibilities of client departments and the Public Works Branch as well as all management procedures to be followed during the project and have them incorporated in the policy manual.

Based on written communication and on testimony before the committee, this recommendation is considered to be fully implemented. However, because of the far-reaching nature of the procedures manual on project management, and the impact it has on extensive resources being used efficiently, the Committee will, in future, check to ensure that the manual is being used properly and that all the steps in planning, construction and operation of a building project are followed as they should be.

The Committee would like to emphasize that, given the circumstances arising from the addition to the Robert Service School, which prompted debate in this House just this week, this Committee will be looking very carefully to ensure all ten steps in this review process are strictly adhered to.

The second recommendation from 1985 deals with a review of the Reservation Office. It states that the government should review the economy of the continuing operation of the Reservations Office. In a letter dated January 7, 1986, the Government Leader advised the committee that a review of the economies of the Reservation Office was being undertaken. The committee wrote to the Government Leader with a suggestion as to what might be included in that review. The recommendations are considered to be outstanding, pending completion of the review. Certainly based on the limited information provided by the department during the hearings, the Committee was not inclined to recognize that economies are being realized.

To conclude, I would just like to thank all the officials and witnesses that appeared before the Committee for their cooperation, and also for the help of the officials, the Auditor Generals and the Clerk to the Committee.

Mrs. Firth: It gives me a great deal of pleasure to respond to the motion regarding the Public Accounts Committee and this year, particularly, because as a Member of the new Public Accounts Committee, I am the only Member who has previous experience on a Public Accounts Committee coming directly from the former committee.

This is the first opportunity I have had to formally welcome all of the new Members to the Committee and extend to them my compliments and congratulations for their enthusiasm and the diligent way they approach their tasks. I would like to extend a special welcome to the new chairman, who in his own way, has managed to keep us all on track in the Committee, keep us off partisan issues and keep our energies directed toward our work, which is where our energies should be directed.

Being a Member of the Public Accounts Committee brings with it many rewards, as the Chairman said in his comments. Also, it is an absolutely invaluable aid for the Members of the Legislature to use as a learning experience, particularly in learning the day-to-day operations of the government and the management of government funds. I could see that immediately when the new Members of the Committee expressed that they were learning a tremendous amount, and they had not learned this much since they had been elected. The Public Accounts Committee is inclined to do that for you. You are bombarded immediately with a lot of information and a lot of reading, and you have four other Members to discuss and share ideas with. It is an extremely valuable learning experience, and it is valuable as a social experience as well.

¹⁸ Sometimes the Committee can work very well, and other times, as I know has been reported by some of the provinces, the Committee does not work well. We are very fortunate here in the Yukon because we have a Committee that works well and sets an example for the rest of the Canadian provinces. I always stress that when I have an opportunity to, and encourage them to follow the example that we do set.

Not to be too lengthy in my presentation, I wanted to just quickly give a brief history of what the Public Accounts Committee is for the new Members of the Legislature who are not fortunate enough to be Members of the Committee. I am going to refer to the

Canadian Council of Public Accounts Committees, the Seventh Annual Meeting. The president at that time was the Member for Whitehorse West, now the Government Leader. This meeting was held in Whitehorse on July 7 to 10, 1985.

I will just take some edited excerpts from the presentation that was given on behalf of the Yukon.

The first Standing Committee on Public Accounts in Yukon was appointed in October, 1979. For the Yukon, it was a significant constitutional advance. Before that time, there had been no legislative watchdog to keep an eye on government spending. The Committee agreed that it would meet only when the House stood adjourned or prorogued. Thus, the Public Accounts Committee usually sits in late January or February for two solid weeks of hearings and executive sessions.

The Yukon does not have a legislative auditor, so the Auditor General of Canada does provide us with senior officials to assist the Committee with its business. The Auditor General's staff briefs the Members on the business coming before the Committee. It is determined partly by the Auditor General's report, and partly by the Committee itself. The selection of the departments to appear before the Committee is not simply done at random, but is determined on a cyclical basis. We do a major review of departments and agencies. In the last round of hearings, the Committee completed a cycle of that review.

There are two distinct meeting formats: the executive session and the formal hearings. The executive sessions are meetings at which only Public Accounts Committee Members participate, the staff who is assisting us, and representatives from the Office of the Auditor General. Minutes of the decisions are kept, and parliamentary procedure is followed. It is during these sessions that all Public Accounts Committee decisions are made by formal motion.

Regular meetings of the Public Accounts Committee are in executive session, as the session following each day's formal hearing. This allows the Members to review and comment on, in one way or another, the issues that were raised by the witnesses.

Following the evidence and discussion thereof, we flag various items for further study and, as well, the lead-off questioner for the next day will sit down and prepare his or her agenda. That does not restrict other Members of the Committee participating in that debate.

¹⁹ From its inception, the Yukon Public Accounts Committee has had a lead-off questioner which, at that time, was a unique idea. We have found, however, that it has been a very successful procedure. The lead-off questioner is someone who is responsible for taking the lead in the examination of witnesses on a particular subject matter. They also do the preliminary research on the area to be examined, frame an outline of questions to be asked of the witnesses, and they attend a briefing session with the officials from the Office of the Auditor General.

I would just like to mention that Public Accounts Committees deal with matters that are of a past nature, that is, of expenditures that have already been made, or actions that have already been taken. The Committee seeks to make recommendations based on the evidence that it has heard, which may be applied with future forward-looking positive effects on the financial management and control systems that are used by the government.

The new Public Accounts Committee did begin a new cycle of hearings. We are looking forward to participating in those hearings. I think it would be appropriate at this time to thank the former Chairman of the Public Accounts Committee, myself, personally, because, as a Member, he was a great help to me in learning the ropes, so to speak, learning how to be an active participant on the Committee, and for setting a good example for the Members and for setting the Public Accounts Committee of the Yukon Territory off in the right direction.

We come to the new Public Accounts Committee now, and the Members are: the Chairman, the Member for Hootalinqua; Vice-Chairman, the Member for Faro; and the Members for Klondike and Old Crow; and me, the Member for Riverdale South. We make up the five Members of the Committee. We met in January, 1986, as the Chairman has already indicated, and we went through a full process of hearings.

The new Committee is presenting a somewhat changed image, a new image for a new committee, if one would like. The format of the report is similar to the past formats; however, we have adopted a new report altogether, when you look at it at first glance. The responses today that the Members are making in the Legislature is a new style as well, in the sense that each lead-off questioner is also being given the additional responsibility of reporting to the Legislature on the Public Accounts Committee. I think that is a very positive step.

As the Chairman has already indicated, we have determined that the Committee would take a more active role throughout the year than the previous committees, and that we would be sending letters out to Deputy Ministers and departments, reminding them of requests and outstanding matters, and doing some follow-up on recommendations that the Committee had made.

As a Member of the Committee, my responsibilities were, as major review, the leadoff questioner for Expo. It was a brief interview, really. The Committee basically agreed with the coordinator that we would be unable to have a comprehensive evaluation system regarding how productive the Expo project was going to be, but that the Committee would be expecting detailed financial accounting of the project, and to the extent possible, a cost benefit analysis.

²⁰ I then followed up in the area of education. We were left with four outstanding recommendations from 1985 and the Committee was of a consensus and considered all of the recommendations to be not fully implemented. In each case, the Deputy Minister said that progress was being made and that much of the information requested would show up in the 1986-87 Estimates. Once the estimates have been tabled, the Committee will scrutinize them for evidence of progress and of course I look forward to this and will report my findings back to the Committee.

I also followed up on outstanding recommendations regarding the Department of Finance. It was a fairly thorough follow-up. We started with a finance follow-up and then moved on to follow-up from other departments that were seeking Finance's input, in particular the Public Service Commission and Health and Human Resources. We then proceeded to the Auditor General's Report on "any other matter" for the year ended March 31, 1985, and we dealt with Finance's particular sections and then the Auditor's Report.

Of particular interest in this area was the lead role that Finance was going to play in the Program Evaluation Committee. The Public Accounts Committee will be following up on this and is considering making some recommendations and thus taking a more active role. We also discovered that there was an outstanding recommendation regarding delegation of authority from 1981 and the recommendation had been partially implemented; however, the Financial Management Information System and the Computerized Commitment Control System had not been completed and the Committee was concerned about the lengthy delay.

The Committee presented a revised recommendation, and during this legislative session we have discovered that the Commitment Control System is completed, and we will be following up on that as a Committee.

When we followed-up the Public Service Commission, we found out that the question of comptroller or monitoring of casual hire was an issue and it was felt by the Committee that control and monitoring was non-existent and that the Committee would definitely be pursuing that aspect.

Another interest that was brought forward was the follow-up on "and other matter" in respect to the Yukon Housing Corporation. It was a recommendation that consideration should be given to identifying the Yukon Housing Corporation as a separate vote within the estimates, and the relevant appropriation acts.

The Committee was not satisfied that action had been taken by the Department of Community and Transportation Services to show housing as a separate program for 1986-87.

²¹ It was sufficient in terms of establishing legislative control for the funds allocated for the Yukon Housing Corporation. Furthermore, the Committee was unable to receive assurance that the treatment of this item as a separate program would continue beyond 1986-87

and, therefore, a further recommendation was brought forward.

The Chairman has summarized the general major concerns, the performance indicators, and indicated that we will be following up on that. Just to sum up quickly, I will be attending, along with the Member for Klondike, the Public Accounts Conference in Regina, Saskatchewan, in July. I look forward to representing the Yukon Public Accounts Committee, along with my colleague.

I look forward to the next while that the Public Accounts Committee will be meeting, and to the information that we will be sharing and the experiences we will be sharing.

Finally, but most importantly, I would like to thank the auditors for their assistance, Raymond Dubois, Don Young, Alan Beaton and Elwyn Dickson from the Office of the Auditor General, for acting in an advisory capacity to the Committee. Their assistance was invaluable. I extend a special note of thanks to our Clerk, Missy Follwell. Sometimes, the Members of the Public Accounts Committee think that these reports and all this documentation materializes out of thin air. I would just like to tell all Members of the Legislature that it does not materialize out of thin air, that it is due to the dedication and the long hours and overtime that the Clerk of the Committee dedicates to us, her long hours of patience with us and our many questions and many little idiosyncrasies. Therefore, a very special thank you to our Clerk, Missy Follwell.

Ms. Kassi: In speaking to the motion to adopt the report of the Public Accounts Committee, I would like to express my thanks to the staff and other Committee Members in assisting me in my first experience on this Committee.

It was a rewarding experience for me as well. I learned quite a lot about the ways of government through this Committee, and recommend that other new MLAs participate for the same reasons in the future. As I am interested in the social program of this government, I chose to look at the Department of Health and Human Resources. The Committee's recommendations on this department are found on pages 18 and 19 of the report. The main item outstanding in this department is the lack of social worker performance indicators.

The Public Accounts Committee recommended in 1982 that indicators should be established. This had still not been fully implemented at the time of the hearings. We realize the department has gone through a lot of changes, and I heard them say that this has made establishing the indicators difficult; however, the indicators are important, and they must be established. Just as important, the indicators must be uncomplicated and easy to understand.

²² The Committee has noted the department's intention to refine its materials and to establish objective indicators by the next fiscal year.

In the Department of Health, it is important to see more close monitoring of health care costs. A better system is supposed to be operational by next fall and we, on the Committee, are looking forward to seeing that work.

It seemed to me during the Committee's hearing that there was a general lack of understanding within the government about performance indicators. Something we need to confirm is that the taxpayers' money is being spent according to goals approved by the Legislature. Every department has been asked to establish performance indicators by the Committee at one point or another. At that time it seemed that not too much attempt was made in the government to spell out to the senior officials just exactly what was meant. This led to the suggestion that the government sponsor a workshop on the subject of performance measurement for deputy ministers, senior managers and Members of the Public Accounts Committee, so that all concerned gain a common understanding of the important topic.

From the point of view of my role as an MLA on this Committee and how it relates to my community, I had an opportunity to inform some of the people back home what I had learned from this Committee. I passed along information on the various departments and their programs within the government. A lot of people do not know the various departments within the government system, and we found it very valuable.

In closing, I too would like to take this opportunity to thank Mr.

Raymond Dubois, the Deputy Auditor General of Canada, Mr. Alan Beaton, Mr. Don Young and Mr. Elwyn Dickson for their assistance to the Committee. As well a special thanks to the Clerk of the Committee, Missy Follwell, who helped me and the other Members of the Committee on our first experience.

Hon. Mr. Penikett: As Members opposite have noted, I had the privilege of chairing the Public Accounts Committee from its formation in 1979 until May of 1985. That was an extremely educational experience, one I would recommend to every prospective Government Leader. I think it is something I would probably count during my years in Opposition as perhaps the most rewarding experience I had as a private Member in this House, because I do not think it is always appreciated by Cabinet Ministers, but one of the frustrations of people who are not in the Cabinet is that it is often hard to see how you are having an impact, or influencing the government.

Being a Member of the Public Accounts Committee was not only rewarding from the point of view of an education, but also from the point of view of being able to see what having a direct influence on the conduct of government business is.

I am pleased also to note the comments of the Leader of the Opposition, now the Chairman of the Committee, that the committee is continuing in the non-partisan, constructive tradition that was established over the last few years.

²³ I suppose I am entitled to feel especially warmly about that, since I have some parental affection for the Committee. I am pleased to see that it is thriving under its new leadership.

Credit and proper tribute has been paid to the work of the Clerk of this Committee, and I do think that the fact that it has stayed on a steady course is probably very much a credit to that person.

Something that has not been noted today that I think is important to remember, as we are having this unusually non-partisan debate, is that there is a good practical reason for the non-partisan work of the Committee, apart from its pleasing rarity. That is that it is the one occasion, in a debate like we have today, and the work of the Committee for the Legislature, to speak as one to the bureaucracy, the public service. That is extremely important, because there is a proper and real concern in modern government about the extent to which legislators have lost control, or surrendered authority to bureaucracies.

There has been a different tradition here. In some sense, the Legislature is, in many ways, still asserting its control. One of the ways in which the Legislature can do so — not in a partisan way, not in a party political way, but as an institution — is through the Public Accounts Committee. It is for that reason that I think, as the Member for Riverdale South said, it is such an important constitutional development.

On a final note on that score, I want to note, as has been done by Members opposite, it is not only my pleasure at the continuity that has been expressed by the Members in the way the Committee works, but also in the fact that there have been some changes and improvements. That is something that is a pleasure for me to note.

During the years that I was on the Committee, the Committee repeatedly stated that one of its principal objectives was to review the economy, efficiency and effectiveness of the management of the Yukon government. It is particularly gratifying, therefore, to find the new Public Accounts Committee subscribing to the objectives that we reiterated so often in the past, dedicating a special section of the 1986 report to the question of program evaluation.

First of all, I would like to state that the 1986 report is, in my view, a particularly good piece of work. It is of high quality and clearly addresses both present and past issues that have arisen in the review process of the Public Accounts Committee. The new Committee has clearly identified its role as the watchdog of government spending on behalf of the Legislature, and I would like to take this opportunity to commend the Members for the work they have done in this regard.

I am sure that all Members of the Legislature, in reviewing the report, will note that seven of the recommendations have arisen from hearings held by the Committee in January, 1986. Of the remaining 25 outstanding recommendations, two were deemed to

have been fully implemented, one was revised to reflect partial implementation, and one was withdrawn.

The outstanding recommendations, as you are aware, go back over the years from 1985 to 1981. As a government, we have held the reins of office now for 10 months. My colleagues and I fully acknowledge and respect the importance of the work of the Public Accounts Committee. Although the majority of recommendations before us today relate to the actions of the previous administration, it is our intention to develop remedial measures as quickly and effectively as possible over the coming months.

²⁴ As I have noted, the Committee report places special emphasis on the need for the introduction of easily-understood and meaningful performance indicators, which will enable the Legislative Assembly to assess budgetary requirements and achievements.

We fully support this recommendation, and we have already taken some steps to make some positive progress in this direction. As you are aware, we have already completely reworked the departmental and programs objectives in the main O&M Estimates for 1986-87 to reflect, we hope, more accurately, the spending thrust of the government. This is the first essential step. In addition, we have activated the program evaluation committee process, which has been virtually moribund since the new *Financial Administration Act* came into effect in 1983.

The changes in membership of the Committee have, unfortunately, caused some delays. But the government now has, for the first time, a work plan for the coming year. We will be moving as quickly as possible to develop performance indicators for the first round of program evaluation. As we move forward with these first experimental steps, it is our hope that the process can be expanded, and made to encompass all programs as a normal ongoing part of the budgetary process.

I fully agree with the Committee's comment that the Program Evaluation Committee should provide overall leadership to the departments in the development of performance indicators. It is essential that these indicators reflect what is being done in the programs, so that meaningful comparisons can be made with the government's overall policy goals. It is also essential, in my view, that the individual program managers should be clearly and directly involved in the development of the indicators and the application of these indicators in the measurement of program performance.

In addition to these general responses, I would like to note several particular responses by the departments for which I am directly responsible. Economic Development — and I appreciate the comments by the Member for Faro in this area — three additional recommendations were made in the report for the Department of Economic Development: Mines and Small Business. On the separate identification of all major items in the Capital Estimates, the department agrees with this recommendation, subject, of course, to the relevant guidelines established by the Department of Finance for all departments. For better utilization of programs, the department is developing more promotional material for the public. Also, the new Business Development Offices in Whitehorse, Dawson City and Watson Lake should enhance the promotion and delivery of all our programs.

Finally, to prevent overlapping on various programs, the department will continue to review any overlaps and resolve them where it has the authority to do so.

The Executive Council Office: an outstanding recommendation of the Committee from 1983 for the Executive Council Office concerned unit cost data from the Public Affairs Bureau. Such a system will be submitted for review to Internal Audit this month, and will be implemented several months in advance of the September, 1986 deadline.

Public Service Commission: four outstanding recommendations remained for the Public Service Commission from 1984. On the delegation of authority to hire casual employees, a new internal procedure has been drafted to guide PSC officers in monitoring departments. This procedure is expected to be approved for implementation later this month and will be forwarded to the Committee. As the Member for Faro also noted, there will be policy changes with respect to casuals, which will also be coming down.

²⁵ For the public disclosure of numbers of casual employees hired, a

new computerized employee information system is expected to be in operation by the fall. Meanwhile, information on hiring, termination and re-engagement of casuals will be compiled manually. The statistics for the entire fiscal year 1986-87 will be presented in next year's budget submission.

Activity performance indicators have been developed and forwarded to Finance and to Internal Audit and to PSC branch directors. It is expected that indicators will be chosen this month and put into effect immediately.

For the public disclosure on the cost and numbers of employees taking training and educational leave, this has been included in the 1986-87 Main Estimates and will be included in future years.

In Finance, the Member for Riverdale South summarized the recommendations here well. I would just like to comment that, based on the outstanding recommendation for 1981, the Committee has made a revised recommendation for the Department of Finance for a commitment control system in accordance with Section 25 of the *Financial Administration Act*. Each department currently has its own manual system for this and all other financial signing authorities. This will be upgraded to a central computerized system in the Department of Finance in the next fiscal year as the third stage of implementation of the Financial Management Information System.

Two other recommendations were forthcoming from the Auditor General's Report "on any other matter".

On the Fuel Oil Tax Regulations, a correction is included in Bill No. 34, *An Act To Amend The Fuel Oil Tax Act*, currently before the House.

On the municipal collection of school taxes, all municipalities are currently up to date, except Dawson City. The government is pursuing the recovery of the outstanding amount.

In conclusion, I would like once again to express my appreciation for the work of the Committee, for the emphasis it has placed on the development of an appropriate system of program evaluation, and to repeat my earlier statement of support, for the implementation of the Committee's recommendations as quickly as possible. We are pleased to support this motion.

Hon. Mr. Porter: Unlike the Government Leader who gave basically a corporate response on behalf of the government, I will be restricting my comments specifically to those recommendations that concern the Department of Tourism.

With respect to the first recommendation, Number 1(1), the response to the development of performance indicators for program activities in human resources, the recommendations and concerns regarding indicators for program activities focus primarily on tourism marketing development, the Heritage Branch and Expo being considered separately. The number of corrective measures or improvements are pending or underway.

The Tourism Strategy Project has commenced to provide guidelines to government and industry for the development and marketing of tourism over the next five to ten years. It is expected that this study will be completed early this year and will be used as a basis for the internal program review prior to 1987-88 Main Estimate submissions. In conjunction with or following completion of the tourism strategy, regional plans will be developed or revised on major tourism destination areas providing more detailed guidelines for regional development and implementation of funding programs such as the Canada Yukon Tourism Subsidiary Agreement.

The department has established base funding for market research and evaluation. Data and research requirements are currently being prioritized to prepare a three to four-year program. A framework has been designed for evaluation of the Tourism Sub-agreement. It is expected that the framework will be presented to the EDA Policy Committee for review and approval later this year.

²⁶ Tourism marketing has been identified as a pilot project for the Interdepartmental Program Evaluation Committee. It is anticipated that this project will commence early in the coming year. YTG is a member of the National Task Force on Tourism Data, established in November, 1984, in recognition of deficiencies in all Canadian jurisdictions.

Final conclusions of this group is expected in November of this

year. The annual industry highlights report produced by Tourism Yukon has been revised this year, and further revisions are anticipated in 1987, in view of the work being done by the task force.

The commitment was made by the department in 1985 to thoroughly revise the capital plan relating to all program units. The intention of this exercise is to bring program guidelines and criteria more into line with departmental objectives and operational requirements. Following completion of this project, all program proposals will be evaluated against established objectives and guidelines.

In speaking to the recommendation, Number 1(2), indicators are being developed within the department to more accurately measure variations in activity performance each year. These measurements will be used internally for planning purposes, and will be included by the department to provide more useful or meaningful information in future estimates, as more reliable and appropriate indicators are developed.

We are in agreement that such information is desirable. Improvements should be possible for the 1987-88 Main Estimates. With respect to the recommendations concerning the operational plan for the Heritage Branch, we concur generally with the Committee's concerns and recommendations. A number of measures have been, or will be, taken to correct the problems identified, and to meet the Committee's recommendations.

Specifically, a consultant's report will be completed shortly outlining the rationale on requirements for heritage legislation in the Yukon. A first draft has been completed and is being reviewed by Justice and Tourism. The provisions will be made, and decisions are to follow, regarding public consultation and government approval or rejection.

Secondly, the historic sites inventory program was approved in 1985-86 Capital to identify, assess and prioritize sites of historical significance for future stabilization, restoration, development and interpretation. Results of the inventory program will guide future programming.

Thirdly, a museums development study is currently underway to provide a blueprint for future museum programming for the territory. It is expected to be completed in June. Decisions on further public consultation and government adoption or direction of the recommendations will follow the completion of the study.

The fourth and final point, with respect to this area, is that an internal review of all cultural programs and responsibilities within YTG is currently underway, coordinated by Tourism. Recommendations will then be formulated, and presented to Cabinet regarding gaps, duplications in programming, reallocation of departmental responsibilities and designation of ministerial responsibility. A report is expected in early summer.

On the third and final point regarding the Expo 86 performance and the subsequent recommendation regarding the cost benefit analysis, a complete financial report will be prepared, as will statistics indicating numbers of visitors, information enquiries, visitor attitudes, visitor distribution and tourism business presentations. A detailed cost benefit analysis will not be possible as part of the project due to the following: lag time between Expo visitor enquiries or presentations and conversion to Yukon visitors or investment; weak or uncertain casual relationships precluding definitive conclusions regarding conversion figures, for example, Expo attendance is likely to be only one of numerous factors precipitating a decision to visit Yukon at a later date. To the extent possible, however, all aspects of the project will be evaluated.

With the initiatives described, I believe that we will address Committee concerns, and provide a much improved basis for future planning and operations.

²⁷ **Hon. Mr. McDonald:** As Minister responsible for Education and Community and Transportation Services, I would certainly like to compliment the recently struck Public Accounts Committee, both new, old and past Members, for their work and compliment them on the many suggestions they made to improve the performance of the departments for which I am responsible.

I, for one, believe that all MLAs have a duty to stand together

in this effort to ensure that the government operate as efficiently and effectively as possible within the parameters set by this House. For the Department of Community and Transportation Services, there are nine outstanding recommendations for which I am able to provide comment and departmental response. There has been a long-standing recommendation pertaining to long-term planning within the department, specifically highway engineering. Long-term planning, to plan and control more effectively, its capital reconstruction and maintenance activities.

As Members of the Committee know, visible work has been done by the department on a 20-year plan for its road construction and road construction activities. The department recognizes the validity of long-term planning for capital and maintenance of new roads. However, the work schedule within the department has not allowed, at least to this date, for additional scheduling in this area, but work will proceed in the area as soon as resources can be allocated for that purpose.

Another long-standing recommendation, which has been the subject of some discussion in the House this sitting, is the issue of project management. As the Public Accounts Committee knows, the Municipal Engineering Branch and the Highways and Transportation Branch have implemented project management practices that follow general principles that were used to develop those of the Department of Government Services. A commitment has been made by the department to improve upon the current procedures in use by December, 1986. The department commitment will be followed up by Public Accounts at their next sitting, I am sure. Work will be done in this area in the near future. The department will make every effort that December, 1986 deadline as promised.

The Committee, in the past, has commented extensively on the Yukon Housing Corporation. Certainly, it has maintained that tradition in the most recent report. It has commented, first, that procedures should be established by the department to establish the accountability of the Yukon Housing Corporation for the administration of low-cost mortgage loans, including direction on the extent of collection action to be taken.

The department has acknowledged responsibility for administration of the low-cost housing mortgage loans. The department is presently compiling collection procedures for outstanding delinquent payments under this program, which will be reviewed by Finance and Justice prior to implementation, we expect, by April 30 of this year. The latest update, for Members' information, is that there are currently 30 loans outstanding, of which six are more than 90 days past due.

As well, it has been suggested by the Committee that in order to ensure legislative control over the Yukon Housing Corporation funds, the Yukon Housing Corporation should, in future, be a separate vote in the Estimates, so that the funds cannot be transferred to or from the corporation without legislative authority. Members will know, that the Yukon Housing Corporation was a separate vote prior to the major reorganization in July, 1984, when the Yukon Housing Corporation was incorporated into the Department of Community and Transportation Services. In the 1985-86 Estimates, the Yukon Housing Corporation was shown as a section in the Lands and Housing Program Branch.

²⁸ The department concurs with the Deputy Minister of Finance's advice to the committee, in particular to stay with the principle of one department for one vote. It is considered the best method to deal with this matter, particularly in view of the partial integration of the Yukon Housing Corporation into the department.

A review of the role and mandate of the Yukon Housing Corporation is underway, vigorously, and will determine the future relationship of the Yukon Housing Corporation to the department.

The Committee wanted the Corporation to make every effort in 1985-86 to correct the number of internal control deficiencies. Outstanding issues, including commitment control systems, procedures to comply with the contract bylaw, procedures for rental collection and reconciliation, will be addressed with the assistance of an eight-point work plan and the engagement of a full-time general manager and full-time accounting services, and with the implementation of a financial administration manual.

With respect to that manual, the Committee felt that appropriate

authority should be given to completion and approval of the corporation's financial administration manual, including all key financial management controls and procedures. We have now completed seven out of eight sections of a draft manual. The eighth and final section will be completed shortly. The manual will then be subjected to detailed review over the next few months.

Finally, with respect to the Yukon Housing Corporation, the Committee commented that the Corporation should ensure that adequate procedures for the timely preparation of financial statements and accurate supporting working papers should be in place for the 1985-86 fiscal year.

Improvements were made to the year-end closing of the Corporation's financial accounts; however, there still is a recognized need for improvement. The department has identified an eight-point work plan for Yukon Housing Corporation, of which three points directly relate to this need. They are that the corporation receive the services of a full-time general manager during the period of corrective activity, arrangements will be made for the corporation to have specialized accounting services on a full-time basis, and additional contract staff will be provided to the corporation in the month of February, including this past one, which has been done, to ensure that the 1985-86 year-end closing proceeds smoothly.

In the past, the Committee has commented on a lands related issue, which is familiar to Members of the Legislature. They suggested that lands regulations should be reviewed and consideration given to amending the regulations to provide for exemption from application of carrying charges when these would result in prices exceeding market values. I am pleased to report, it has been announced already, that this has essentially been done.

On the subject of recreation, the Committee called on the government to establish, as soon as possible, regulations dealing with the revised formula for calculating recreation assistance grants under the *Recreation Assistance Act*. Members may know that draft regulations were developed in 1983. The Recreation Branch was moved from Education to Tourism, and then to Community and Transportation Services in 1984.

The results of various reviews of the draft have resulted in a final draft, which will be submitted to Cabinet in the very near future.

There are a four outstanding recommendations pertaining to the operations of the Department of Education, all in response to the 1985 report of the Standing Committee on Public Accounts.

Along a theme well established by the Public Accounts Committee, the Committee stated that the department should provide in the Estimates and in its annual reports, information that is complete, comparable and meaningful.

²⁹ The department recognizes the need for complete, meaningful and comparable information to generate sound financial administrative decisions. The following actions have been started in 1985-86 and are scheduled for completion in April and May of 1986.

Three projects have been, or are in the process of being, implemented: the Teacher Applicant Profile System, the Apprentice Training and Certification System, and the CEIC Course Costing System. The department has revised its chart of accounts to provide the financial and statistical information as available from Financial Management Information System, FIMS, projects, sponsored by the Department of Finance.

The Human Resource Information System Project sponsored by the PSC should permit more effective information accumulation on personnel-related matters. The department has been granted access to the general ledger and accounts payable files. This is an on-line inquiry basis only and will be made good use of by the department.

Information on annual course registration at Yukon College has been provided in the 1986-87 O&M Main Estimates.

Secondly, along the same vein, the Committee recommended that when a new program is introduced through Supplementary Estimates, that supplementary should include a narrative describing the program. I am pleased to report that the department has a narrative for each of the programs, including the 1986-87 Supplementary, and these will be submitted to the Legislature, subject to guidelines instituted by the Department of Finance.

Thirdly, the Committee suggested that the department should report the pupil-teacher ration on an actual as well as all-inclusive

basis. The department has devised a method of reporting pupil-teacher ratios; however the reports are generally averaged out in consideration for the transient fluctuations that must be observed when using the data in financial or administrative decisions. It must be noted that the actual ratio data cannot be compiled until after October 1 each year. This is due to the fact that we need time to establish, with any degree of accuracy, the actual number of students.

As Minister, I will be provided with the current statistics when the Main Estimates are debated in the Assembly and will commit to the House that they will be tabled at that time.

Finally, the Committee recommended that when the department effects a reallocation of financial resources, it should ensure that this is clearly and properly recorded in an appropriate document, including the Estimates, the annual report and the departmental organizational charts.

With the initiatives I have just outlined, the department has committed to doing this, with respect to information gathering. The department anticipates being able to provide greater clarity and consistency in all forms of information reporting in the future.

Again, I thank the Public Accounts Committee for their good work and encourage them on behalf of all Members of the Legislature, including myself, to continue with some vigour.

Hon. Mrs. Joe: I welcome the opportunity to address the Report of the Standing Committee of Public Accounts. The work of the Standing Committee is very important to the conduct of the public's and this Legislature's business. Departmental officials appeared before the Committee to review the status of progress toward implementation of a recommendation respecting social worker performance indicators. The committee had been provided copies of a summary report of social casework time allocation indicators completed by the government. This government and my department are very concerned with performance. After all, results are what we want from the investment of public money. It is imperative that indicators be developed so you know when you have accomplished what you have set out to do so you can report on your achievements.

Together with reworking of program objectives, department-wide, demonstrated in the 1986-87 Main Estimates material, the department is developing more effective measures for monitoring and reporting on the effectiveness of staff and programs and achieving the desired results.

³⁰ The work done previously by the department on social casework time allocation measures, was useful and has assisted management in identifying problem areas and assessing resource requirements. However, *The Children's Act*, and a new federal *Young Offenders Act* have been implemented since completion of the research. As a result, the previous workload analysis is somewhat out of date. In their presentation to the Public Accounts Committee, departmental officials gave an undertaking to examine other approaches which might simplify the measures required and reported in the Main Estimates. The department is also exploring options from caseload analyses which will be possible following completion of current computer programming enhancements to the social service client index system.

In their presentation, departmental officials also identified the new Employee Performance Appraisal Policy, which has been developed. It emphasized the establishment of clear, measurable objectives for individual employees, related policy to unit goals, and to the evaluation of a performance on results demonstrated. The major workshop involved most management staff in the department in late February, as the initial introduction to the new policy which is to be implemented on a phase basis during 1986-87.

I would like to point out that the program statistics in the 1986-87 Main Estimates have been realigned to relate program and caseload activity directly to the responsible personnel. This adjustment is an important step toward meeting the commitment by the department to improve performance measurement through statistics and supplementary reporting. Further work is planned for the 1987-88 Main Estimates.

I would like to thank the Chairman and the members of the Public

Accounts Committee for their report.

Hon. Mr. Kimmerly: Before responding to the report for Justice and Government Services, let me recommend to the Statutory Instruments Committee that they follow the same procedure of keeping track of the recommendations made in past years. It is particularly useful for the Legislature and it would be an additional control for the Legislature on the bureaucracy concerning regulations. The Statutory Instruments Committee is not now controlled by a government majority, nor does it have a government chairperson. The time for the development of that organization is obviously now. They can follow a model from the PAC.

For Government Services, specifically, I will respond to the recommendation concerning project management as follows: the procedures manual on project management was developed jointly by the Auditor General and Public Works. It will be updated to formalize the duties and responsibilities of both client departments and the Public Works Branch, and will incorporate management procedures to be followed during a project.

³¹ Due to the fact that we are entering a very heavy construction season, revisions to the procedures manual will be undertaken in September, 1986. The anticipated completion date is December 31, 1986.

Concerning the reservation office, the review of the economics of the government reservations office will be completed by August 31, 1986. Concerning the Auditor General's report on "any other matter", I would say that the implementation of standing offer agreements, in place of general purchase orders, is continuing as anticipated. Concerning the northern preference policy, this policy is in the process of being amended to include the supply of goods and services. The proposed policy was presented to the policy sub-committee in March, and the DMRC recently, and will be before Cabinet this spring. The proposed policy will be taken to the business communities, through such groups as the Contractors Association, prior to being implemented.

Concerning the Department of Justice, most of the continuing recommendations concern evaluation, and the evaluability of justice programs and legislation. This is a particularly difficult area; however, we are continuing to strive to improve our performance. The recommendation concerning establishing a unit cost performance indicator for activities where statistical information is available can be responded to now by saying that the labour services section of Consumer and Corporate Affairs has been manually collecting statistics.

Occupational Health and Safety performance indicators are now fully operational, as was noted in the 1985 report. The statistical reporting forms for Consumer Services have been redesigned and the information is being collected. Personnel changes and the amalgamation of the branch into Justice have delayed progress; however, it is now continuing well.

³² The Consumer and Corporate Affairs Branch is now actively reviewing the implications of transferring the data bases, and the data collection system onto computer.

It was recommended that the department should produce public documents on a more timely basis, and reference was made to court services. The lack of any sophisticated information and statistical gathering procedure here was the stumbling block in the past; however, the automation of the court registry will enable us to establish standard indicators. We are importing a system, ironed out in Saskatchewan I believe, and the system will allow us to report proper indicators and to give us document production at various stages of a case.

The recommendation concerning the systematic review of legislation for enforceability is still problematic. The bureaucratic response is that additional resources are needed to complete that. It is a difficult area that we are continuing to work on. I sincerely hope to be able to report substantial progress next year.

The recommendation concerning Occupational Health and Safety was withdrawn. Let me report to the House, as it is relevant here, that the Association of Yukon Communities also made a similar recommendation recently. That is an interesting body to recommend this. The imminent proclamation of the new *Occupational Health*

and Safety Act is, of course, relevant. I have discussed this issue with the Workers' Compensation Board. It is the recommendation of the Board that this amalgamation occur. However, it is the view of the government that they are not in the best position to assess the total situation. The response of the government is that this is a dead issue now, and the program will not be transferred to Workers' Compensation. We are pleased to see the Committee withdraw this recommendation.

³³ Concerning the Workers' Compensation Board's performance measurement systems, the performance indicators agreed to in the 1985 report have been incorporated into the Workers' Compensation Board 1984 Annual Report, which has been tabled in the Legislature.

Concerning the reporting relationship of the general manager of the Yukon Liquor Corporation, the Department of Justice is aware of the legal and practical difficulties in the existing reporting relationship. These difficulties have existed since the creation of the corporation in 1976, and are primarily a result of the fact that the general manager is a member of the public service. The responsibilities and reporting relationship established under the *Public Service Commission Act* appear to overlap to some extent the provisions charging the board with general supervision over, and direction of, the general manager and other employees of the corporation. No clear line has been established to distinguish the functions of the general manager, subject to the supervision of the board from those subject to the supervision of the superior officials under the *Public Service Commission Act*.

Since the assignment of responsibilities for the liquor corporation to the Department of Justice, the department has become aware of this problem, and is devising a solution. This must be done in concert with a general re-evaluation of the role it is desired that the Yukon Liquor Corporation and its management play in Yukon, which is also in need of review. It is expected that some practical solutions will be devised in the near future that will probably necessitate appropriate amendments to the legislation.

Speaker: The hon. Member will close debate if he now speaks. Does any other Member wish to be heard?

³⁴ **Mr. Phelps:** I would like to thank each of the Ministers for their responses to the recommendations of the Committee and the cooperative approach they are taking as Members of the Legislature. I also think I would like to close by paying tribute to the work done by the previous Members and particularly the previous Chairman, because the traditions set by those previous Committees certainly made my work easier in assuming the task.

Motion Respecting Committee Reports No. 1 agreed to

Hon. Mr. Porter: I move that the Speaker now leave the Chair and the House resolve into the 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

Mr. Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chairman: I will call Committee of the Whole to order. We will now recess for 20 minutes.

Recess

³⁵ **Chairman:** I now call Committee of the Whole to order. We will continue with the capital expenditures of Health and Human Resources.

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

Mr. Lang: Will the Minister tell us where we are at with this particular extended care facility?

Hon. Mrs. Joe: We did that last night, but I will elaborate on it

today. The Extended Care project is intended to provide an in-territory capacity for the provision of nursing and supportive care services known as level three care for persons with serious chronic disease, major disabilities, or multiple system failures, for whom there is very little possibility of recovery.

The level of care is not currently available in Whitehorse General Hospital, which is not designed or staffed to provide the level of care, nor in Macaulay Lodge, which can only appropriately provide level one and level two personal and chronic care services.

Currently, approximately six Yukoners are receiving extended care in auxiliary hospitals and extended care services in Alberta and BC; four are occupying acute care hospital beds awaiting more appropriate placement, and five are being cared for in Macaulay Lodge. Projections show a need of at least 25 extended care beds by 1990. A project to provide a minimum of 25 extended care beds in a Government of Yukon extended care facility was first initiated in 1976 with a study on needs for personal care, chronic care and extended care services. These needs were reaffirmed in the 1980 rehabilitation and geriatrics service review study commissioned by the department, and by preliminary hospital planning.

The project funds are intended for cost-sharing with Canada in a combined hospital-extended care multi-level community hospital project. The planning phase that was formally initiated in 1985-86 contracts for function programming, land programming and final site selection, as well as space programming and block schematics are expected to be let very soon.

Timing is critical to meet federal Treasury Board deadlines for the capital construction phase of the new hospital complex, expected to cost in the \$40 million range.

Joint federal-territorial planning for the new community hospital project has not proceeded quite as rapidly as anticipated; therefore, subsequent to the preparation of Supplementary No. 2 in January, it had become apparent that the funds might not be fully committed prior to March 31.

³⁶ The contract award will now occur in the new fiscal year. It is possible that this project will be addressed in the 1986-87 Supplementary.

Mr. Phillips: This is an item near and dear to my heart, being that it is in my riding. Would the Minister elaborate what was done in phase three of Macaulay Lodge and is the project now finished?

Hon. Mrs. Joe: These funds are for continuing renovations of Macaulay Lodge. Renovations involve installation of a nursing station on the second floor, storage rooms and a space modification in the basement, renovation of a recreational area, completion of a number of unfinished rooms, upgrading of the lighting in certain rooms, upgrading of the hot water system and establishing wheelchair access to certain homes. The department processed work orders through Government Services in January for \$50,000 and in February for \$255,000, fully committing project funding. Work is in progress presently. The major contracts awarded to date are with Matel Plumbing and Heating, DW Thompson Consultants, Carlburg Jackson Architects, Beaver Lumber and General Enterprises.

While the funds are fully committed, the year-end processing of invoices and so on will identify the portion of project funding actually spent prior to April 1.

Mr. Phillips: Did the Minister say the project is now complete or the work is still going on right now?

Hon. Mrs. Joe: That work is still going on. It was not completed at the end of March.

Mr. Phillips: Then why do we have it in this line item? Why do we not have some in revote on the other side, so we can revote that money today? Are they sure it is going to come out dead-on budget?

Hon. Mrs. Joe: We could have stopped progress at the end of December, but we did not. In January there was a commitment for \$50,000 and in February for \$255,000. That fully committed the project funding to go ahead and be completed. It was the intention at that time to finish the work and not stop and put part of the money in the Supplementaries.

³⁷ **Mr. Nordling:** Was the work put out to tender? Did the tender specify completion by March 31?

Hon. Mrs. Joe: The work was put out to tender, and the information was given to us that it would have been done by March

31. They are two weeks behind.

Mr. Nordling: Is the Minister saying that the work is complete now, two weeks later?

Hon. Mrs. Joe: I did not say that it was completed. I said it was not complete two weeks later.

Mr. Phillips: When are they expected to complete the work?

Hon. Mrs. Joe: I would have to come back to the Member with that information. I could do that and let him know. I am not sure what the anticipated date of completion is. It was a three phase project, and there were three different phases that had to be done. This is the last one.

Mr. Phillips: I am wondering if there is any physiotherapy equipment at all included in that, or a room for physiotherapy included in that line?

Hon. Mrs. Joe: I do not think so, but I could certainly let the Member know.

Mr. Phillips: Could the Minister also advise the House whether or not there are physiotherapists on staff at Macaulay Lodge, or are there plans to put one on staff?

Hon. Mrs. Joe: We do not have one on staff right now.

Mr. Phillips: Having talked to several people in Macaulay Lodge, I feel there is a real need for a physiotherapist at Macaulay Lodge. For a lot of the people who need physiotherapy, it is difficult for them to get to and from the clinic. Some of them are elderly, and it is very stressful for them. I am wondering if the Minister would consider a physiotherapist who would be at Macaulay Lodge. We do have a lot of elderly people there who do need a lot of physiotherapy.

Hon. Mrs. Joe: I have been over to Macaulay Lodge, and I agree with the Member for Riverdale North. I would be prepared to elaborate on that kind of an issue in the O&M Budget. Right now we are talking about the extension. I would be prepared, and make a commitment right now, to answer all those questions in the Budget debate for the 1986-87 O&M Estimates.

³⁸ **Mr. Phillips:** I will be bringing it up in the O&M Mains and asking the Minister those questions. I would like to say I am pleased to see the work that has gone into Macaulay Lodge. It is extremely improved over what it was before. Both governments have done a super job and all indications from the people in Macaulay Lodge is that they are very pleased. The staff is first class and the operation is becoming better all the time and it is a real credit to the Yukon. Maybe in the future we will see more of these facilities in other areas of the Yukon.

Hon. Mrs. Joe: I would like to thank the Member for those words. When we assumed the government and I assumed this role, the care that had gone into that facility was there and it showed.

Department of Health and Human Resources in the total amount of \$4,000 agreed to

Chairman: The next department is the Department of Justice. Any general debate?

Mrs. Firth: Do we not have to clear the total line for that previous budget?

Chairman: No.

Mrs. Firth: Before we move off that budget, could I be permitted to make some comments?

Chairman: Yes.

Mrs. Firth: I want to register a concern again about the purchase of 501 Taylor Street open facility for young offenders under the secure facility young offenders line. I question whether that is the correct area for the purchase of that. I have some concern about it for a couple of reasons. One was an inconsistency about the whole Supplementary Estimate that presented itself after the debate, and that inconsistency was between the Government Leader and the Minister of Health and their understanding of what Supplementaries were. I believe the Minister made a comment that, "If there is a surplus then I think it will be indicated in Supplementary No. 3, as in the past." We do not have Supplementary No. 3 now, as the Government Leader indicated. The Government Leader said that this would be the last supplementary that we would see for 1985-86.

³⁹ I would like to bring forward our concern, again, about the purchase of that open facility, which is a very specific facility under a very specific line. In the *Financial Administration Act*, a vote

means that part of an appropriation act identified as a vote and authorizing a payment of a specified amount from the Consolidated Revenue Fund for a specified purpose. Has the Minister investigated that? Is she satisfied with it?

Hon. Mrs. Joe: The Member for Riverdale South has registered her dispute with regard to this area for about the tenth time. It is recorded in the *Hansard*, and she will be able to read it from day to day on about three or four different pages. I felt last night that I had nothing to question. I felt that everything was in order.

The past Minister knows very well that there was the intention to build some kind of a facility for open and secure custody of young offenders. Every piece of correspondence and documentation, have been documented by myself. They have always referred to their facility as a young offenders secure facility. That definition also included a facility for open custody. I do not feel that there is anything to get legal advice on. I will check into it, and find out if there is anything illegal. If there was, I will come back and let her know, and she can stand there and say "Ha, ha, I told you so". I do not have any problem with standing here and defending it.

Mr. Lang: With deference to this side of the House, I think there is a valid point being made. I do not understand why we would pass this particular area, and go "ha, ha, ha" and let somebody come back four days later and say to us, "You were right" or "You were wrong". It would appear to me that there are enough people in Finance and Justice, and it is an important enough subject, that there should have been some attention given in the past 24 hours to see whether or not the observations that have been made by the Member for Riverdale South are accurate. I think it is a very critical area.

We are dealing with whether or not the Legislature has the vested authority, in the line item and the actual description of the line item, for passage of various financial measurements for capital works. In the past couple of years, more and more care and attention — at least, when we were the government — was being given to description and detail within the line items to ensure that we had the vote authority to proceed with what the Legislature had agreed should be done with the public money.

Can we take it that there is a commitment being made by the Minister of Health and Human Resources that she will report back, maybe during the O&M Mains, on the opinions that have been sought by Finance and Justice, as far as the legal authority and descriptions within this line item? I should point out that this is a far different facility than what was contemplated by the previous government.

⁴⁰ We are talking about two different programs now, as opposed to one program. That, in itself, is a significant and major difference. It is like saying we are going to build a swimming pool, but by Cabinet decree we are going to make it a recreational centre, which is a far cry from what the Legislature was presented with when they first said they were going to go with a swimming pool. The same principle applies here. We want to ensure that the legal authority has been granted to the government for the purposes of doing what they deem in the best interests of the public. In this particular case, I do not think that is the case. Is the Minister going to report back to the House and get a legal financial opinion?

Hon. Mrs. Joe: I already made that commitment in my statement the last time I stood up. I said yes. What more can I say?

Mr. Lang: I take it that that will be provided for us when we discuss the O&M Mains, is that correct?

Mrs. Firth: I will make one final statement about it. My concern is, on behalf of all of us as legislators, the same as the point that the Government Leader raised in his response to the Public Accounts Committee. That is that we, as legislators, do occasionally get to speak as one voice. This is one time that we are going to have that ability. The bureaucracy feels very comfortable having the ability to move money around at their desire and their wish. Sometimes we make their life very difficult. We, as legislators, do not wish to give them that ability.

I do not want to see, any more than the Government Leader does, the Legislature lose control over the funds and over the distribution of the funds. We should do things absolutely right here in this Legislature. I want to register my concern about what I read in the

Financial Administration Act that a vote does not authorize any payment to be made and under Part 3, Section 18(2)(b), a vote does not authorize any payment to be made for any purpose not within the general purposes of the vote, which sounds rather general and rather vague, however, a vote, as part of the Act identified as a vote and authorizing the payment of a specified amount from the consolidated revenue fund for a specified purpose.

This Young Offenders Secure Facility is a specified purpose, yet it was not spent, and the specified amount is \$250,000. It was not spent for that specified purpose. As legislators, all we knew was that that was to be spent on a young offenders secure facility. We never debated in this House, or discussed, or the government never revealed to us that they had changed their mind as to what that money was going to be spent on. That was something that the Government Leader, when he was the former Leader of the Opposition, always objected to.

I do not want to see the Legislature lose authority over this. It is the same concern we raised in the Public Accounts Committee about the Yukon Housing Corporation. We do not want to see the Legislature lose authority over these funds. We want to see things done absolutely right, and I would ask that the Minister check to see that we are doing things right, and if we are not, bring forward some changes. I am doing this in a constructive debate for the benefit of all of us as legislators and ultimately for the benefit of all Yukoners.

⁴¹ **Mr. Lang:** I think we have made a point with that one. I did not have the opportunity to be here for the session last evening. There was one area that concerned me when I read the Blues and I just want it confirmed: the \$2.5 million that had been voted for the young offenders facility was negotiated with the federal government. Did that money revert to the Government of Canada, or was it reallocated? My understanding was that it was specifically for the purposes of a young offenders facility.

I want to know whether it was negotiated within the financial framework of the overall financial agreement with the Government of Canada or if it was a specified amount of money, and if we did not use it, it would go back to the Government of Canada? If the Minister cannot answer specifically I would like to give her notice and perhaps she can come back in the Main Estimates.

Hon. Mrs. Joe: It is unfortunate that the Member could not be here. I understand he had a sore back. As we have throughout this whole debate on my \$4,000 supplemental, to where we are now at the end of my budget, we have reverted right back to the young offenders facility. I have been very patient and answered as many questions as I could. I feel I have done my job, and we are re-entering into debate on something we have already gone through — something that was not even a vote. I will commit myself to come back to the House and giving the information the Members have asked for. That is the third time I have said it today.

Mr. Lang: In deference to myself, I was absent for a reason. It was probably good for Health and Human Resources unfortunately, and I am sure the Minister missed me. I want my concern registered on the record, and I have every right to do it.

I want to put the Minister on notice — you can pull this act for only so long, but there comes a time when you have to stand up and answer the questions — I will be asking some very straightforward questions about O&M and, I expect answers. You are being paid to do the job, and you are going to have to do it.

Mr. Phillips: I cannot let this matter die immediately. I am a new Member, and there are several other new Members in the House. I have problems when, through Question Period and through the media, we have recently heard many things about the young offenders facility, open custody versus closed custody, or the various types of facilities we are going to provide. Where I have a great deal of problem, as I am sure others have, including yourself, Mr. Chairman, is that we were told very clearly by the Minister that 501 Taylor Street was an open custody facility. The Minister even went so far as to say that it was more like a group home. There is a big difference between open and closed custody, and the Minister told us that.

Now we see that they purchased the 501 Taylor Street home under the Young Offenders Secure Facility line item. It has to leave

every Member concerned when the Minister says she does not think there is a problem. I think that it is the responsibility of any Member of this House to stand up and raise this issue. It is very specific what they were going to spend the money for, and they spent the money on the wrong facility.

⁴² **Hon. Mrs. Joe:** I will not get up and speak on this again. This was not even indicated in this budget. We should not even have been discussing the young offenders facility. In past supplementaries, there was a one line item listed for any over-expenditures or under-expenditures. Unfortunately, this meant everything was in there, whether it was an over-expenditure or under-expenditure. They have the nerve to stand over there and accuse us of doing all sorts of things. They have a draft that says, Young Offenders Secure Facility Functional Space Program. This plan includes a facility for open and secure custody. If they are standing there and accusing us of having done something that they have done for the last couple of years, I do not know where their minds are. They did not do it, but it was their plan.

I have about 10 pages in *Hansard* for \$4,000 that was in the Supplementary. I have been patient. I am usually a very patient person.

Some Member: Give us an answer.

Hon. Mrs. Joe: I have answered the questions.

Some Member: When?

Hon. Mrs. Joe: Go back and look in *Hansard*. The questions and answers are all there. I did not give them the answers they wanted to hear, but I gave them the answers.

Department of Justice

Chairman: Department of Justice. Any general debate?

Hon. Mr. Kimmerly: I will be brief in general debate. The Capital items are fairly easy to identify, and I will identify the changes here. It amounts to a small amount of money, and absolutely no change in plans or policy. The large item, of course, is approximately \$10,000,000 for the Andrew Philipson Law Centre. I am pleased to be able to say that it is on time, and it is on budget. It is just on budget, but there is not an under-expenditure. The reason for that is that there has been a tremendous struggle over the winter to keep it on budget. We have purposely planned the details in order to keep it on budget.

On the O&M side, there have been no changes in policy that have changed the numbers here. The change in numbers is legitimate variances, if you will. The new O&Ms that are tabled, but not debated, have a reorganized structure, which I should properly explain at the outset of the Mains. For this calendar year, we maintained our policy throughout. The major variances are for two reasons. One is that Legal Aid is over-expended. That is still not under control, and I can debate that at length, either here or in the Mains, whichever the Members opposite would prefer. Perhaps both, but that is all right as well.

⁴³ The Branigan inquiry, which is normally budgetted as \$1.00, has cost us significantly more than that.

Mr. Phillips: Do the government lawyers in the Justice Department handle all the legal requirements for the government?

Hon. Mr. Kimmerly: Pretty well. The answer is yes in the general sense. This was a policy change that was initiated by the previous government. We now have four lawyers. That particular branch is significantly overworked. There is about a three months wait to get a government lawyer to do any work for the other departments, which is a problem.

The policy change occurred in 1984, when the government wished a significant in-house counsel. We do use the private bar on occasion. Right at the moment, I do not believe there is any significant use of the private bar, with the exception of the NCP transfer. We have Winnipeg lawyers on that. On the Curragh deal, the reopening of the mine, we had Toronto lawyers, and on the Hedstrom appeal case, we maintained the lawyers selected by the previous government. They were Vancouver lawyers, and that matter is now over. Incidentally, the appeal on the Hedstrom case cost us \$30,000.

Mr. Phillips: With respect to hiring lawyers for other work, does the government institute its local hire policy and use local

lawyers? What is the ratio?

Hon. Mr. Kimmerly: That is an interesting question. Previously, it was on a patronage basis. That is no longer the case with the government. I initiated a procedure very much like an invitation to tender. A letter to the local lawyers went out asking for hourly rates and expertise. We concerned ourselves with the possibility of conflict of interest, in that the law firms especially would not be eager to put themselves into a possible conflict situation of working for the government on one case, and against the government on another.

⁴⁴ It is probably not technically a conflict; however, it may be perceived as a conflict. It is our policy to use local lawyers when we use the private lawyers at all, unless we are looking for particular expertise that does not exist here. As an example on the Curragh deal, Curragh used Toronto lawyers with Yukon agents, one of the large law firms here. The government used another firm, and we did our own work in the Yukon. We will, from time to time, select local lawyers and our policy will be based on the kind of work that is necessary, and the price. We will specifically shop around for the best price, which was not, in fact, done previously.

Mr. Phillips: Can the Minister tell me approximately how many lawyers are practising at present in the Yukon?

Hon. Mr. Kimmerly: Fifty-three, I believe.

Mr. Phillips: That is an awful lot of lawyers for a small population. I am sure some of the lawyers feel that, too. How many local lawyers has the government contracted within the last 10 months?

Hon. Mr. Kimmerly: Obviously, I do not have those figures. I know it is a very small number. Some cases were being finished up prior to the policy change to hire staff lawyers, and there was some work paid for in this past year in that category. I do not know of any other case, or any kind of case, where we have used local lawyers aside from the Legal Aid Plan, which is separate. There may have been one or two small matters. I will check, and if there were, I will inform the Member opposite.

Mr. Phillips: I wonder if, when the Minister is checking on how many local lawyers were contracted, would he also bring back the information on the in-house lawyers, and the numbers of those also. Is it normal for the government, when it has an ongoing case and is using a local lawyer, if the case goes to appeal, will they then switch lawyers and go to an outside firm, or do they stay with the same lawyer all the way through?

⁴⁵ **Hon. Mr. Kimmerly:** It would be impossible to state a general rule, but there are significant advantages to sticking with the same lawyer.

Mr. Phillips: For instance, when they lose or win the first court case and it then goes to appeal, has the Minister any knowledge of this happening in the last eight or 10 months?

Hon. Mr. Kimmerly: Under the Legal Aid plan, it has probably occurred many times. Those lawyers are not chosen by the government. I believe that the Hedstrom case is the only government case, and that is beyond the 10 months time period suggested. It was a government staff lawyer who did it in the first instance. The previous government hired a very senior Vancouver counsel, and the government staff lawyer assisted on the appeal.

Mr. Phillips: In the last few months the government seems to be attracting a number of lawsuits. The Minister also mentioned that the workload is very heavy right now. Is the Minister contemplating hiring more lawyers in the near future? If so, how many?

Hon. Mr. Kimmerly: That is a question for the Mains, but I can say that the position of the director of Legal Services is being advertised now. It was advertised locally, and there were no acceptable candidates, although my knowledge is clearly insufficient. I do not, as a Minister, personally supervise the staff selection. That position remains unfilled now.

The addition of another solicitor in the branch would be very welcome. It is a matter for the Management Board to consider.

Mr. Phillips: In relation to the workload that the government lawyers are now faced with, is the government contemplating at all contracting out any of the work, or can the government do that to departments that have legal questions to be asked? Can the

government contract that out, or do they strictly use the government solicitors?

Hon. Mr. Kimmerly: The government could. The policy now is that we do not. The Workers' Compensation Board hire their own lawyer. I am not sure what the Liquor Corporation does. I do not think that they need a lawyer very much. The policy now is to do it in-house.

Mr. Phillips: Maybe I can suggest a short-term solution to the Minister, out of this three-month waiting period for some of these departments. We were faced with some legal questions in the House recently, which may take awhile to get back to us. A short-term solution may be, in fact, to contract some local law firm. There are 53 lawyers, and I am sure they are all looking for work. Maybe that could be a short-term solution to get some of this work out and get some of these legal decisions made, so we can get on with business.

Hon. Mr. Kimmerly: I understand the Member's representation. I recommend that he sends it to all the local lawyers.

Mr. McLachlan: To the extent that it is workable, and to the extent that there would be something gained by it, is it a policy of the Criminal Injuries Compensation Program, for which we are 25 percent responsible, to attempt to recover from the perpetrator of the crime some of the cost in awarding that action against him, if that is at all possible?

Hon. Mr. Kimmerly: Yes, it is. The Board that presently makes the decisions, in fact, makes assessments against perpetrators, and even alleged perpetrators of criminal activity. If they attempt to collect the money, their success is characteristically minimal, due to the character, for the most part, of the perpetrators.

Mr. McLachlan: In the answer provided about 53 lawyers, are those local lawyers, or does that number include some who may come from Edmonton or Vancouver to do work here?

Hon. Mr. Kimmerly: That is local.

Mr. McLachlan: When a lawyer comes to the Yukon to perform work from outside our jurisdiction, I presume that he must be registered in this bar to be able to do that work. Does the Minister have any figures on the amount of outside registrations who can practice in the territory?

Hon. Mr. Kimmerly: The Law Society does, and it is public information. There are a number of non-resident lawyers licensed to practise here, or registered here with the Yukon Law Society. The number escapes me, but it is in the neighbourhood of 100 or so, but it may be larger. These people come up occasionally. There are probably one or two who come up regularly, on an average of once or twice a year. Most of them have become members in the past, and simply hang on to the membership, all of which is welcomed by the local bar because they pay fees.

Mr. Phillips: Could he tell me if in any of the line items are there monies allocated to the Human Rights Inquiry, or was that all within the Legislative Assembly?

Hon. Mr. Kimmerly: Not to the Select Committee. There has not been an inquiry, but there was a Select Committee that came out of the Legislative Assembly budget. Seventy-three thousand dollars were allocated in the last Mains, and we did not spend all of that. I do not have the precise amount that we did spend, but it is in the neighbourhood of \$40,000 to \$50,000.

Mr. Phillips: Did most of the design of the Human Rights Bill, as it came out, done by the Justice department under the direction of the Minister?

Hon. Mr. Kimmerly: Yes.

Chairman: Any further general debate? We will move to the line items then.

Under the Operation and Maintenance Expenditures.

On Legal Services

Hon. Mr. Kimmerly: The Job Evaluation Study was \$5,832. This under-expenditure is due primarily to the reduction of out-of-territory travel. I should have mentioned that I cut our budget within the department for out-of-territory travel by half and that achieved some savings. The Revised Statutes were scheduled to be published — the printing costs are slightly different — and that was delayed because the Revised Statutes did not get passed until the spring. The Revised Statutes are \$56,000. There are slight over-expenditures due to aircraft charter concerning, I believe, the

coroner, and telephone costs, and over-expenditures for JES and the signing bonus.

Mr. Phillips: What aircraft charters is the Minister talking about? Who would they charter aircraft for? Is this the court circuit in Old Crow, or do they now fly regular airlines up there?

Hon. Mr. Kimmerly: I have that information. I will find it. Perhaps I will answer the next two questions at once. It will be faster.

Mr. Phillips: I appreciate the Minister anticipating my next two questions, and I am looking forward to his answers.

Hon. Mr. Kimmerly: The coroner chartered an aircraft to a remote location. The location and the date and the person who died, I do not have, but that is what it was.

Mr. Phillips: I do not think I got my next two answers, but I will go on. What is the over-expenditure due to professional services? Is that more judges' expenses there? What are those expenses?

Hon. Mr. Kimmerly: It was due to retaining a non-government counsel. This is primarily the Hedstrom appeal.

Legal Services in the amount of a reduction of \$64,000 agreed to On Court Services

Hon. Mr. Kimmerly: The JES figure is \$3,393. This is an under-expenditure due to the delayed hiring of the third Territorial Court Judge and the support staff for that judge. We had \$133,000 for the staff and the judge, and we expended \$43,000 on deputy judges, for a net under-expenditure of \$90,000.

Mr. Phillips: Did the judges get the bonuses that their Deputy Ministers got? I believe it was \$1,000.

Hon. Mr. Kimmerly: Yes, there was one judge involved, and he got it.

Mr. Phillips: Why did the judge get the \$1,000 bonus?

Hon. Mr. Kimmerly: In order to treat him the same as everyone else, especially Deputy Ministers. Cabinet Ministers did not get that bonus.

Mr. Lang: That is a really good question. Maybe we can put this to the Government Leader in his capacity as Minister of Finance and Chairman of Cabinet. Who did not get it?

Hon. Mr. Penikett: MLAs.

Mr. Lang: And all other staff in the government complement, casual or otherwise, got it?

Hon. Mr. Penikett: Not all casuals. You would have had to have been on staff at a certain point in order to have qualified.

Mr. Lang: Does that mean Minister's assistants got it, as well, when you say everybody? All political staff, Order-in-Council staff got it?

Hon. Mr. Penikett: Yes, OICs got it?

Mr. Lang: I have a question which refers to the question put by the Member for Riverdale North. I think it was a valid question as to whether or not the judge received the same stipends as a public servant. Am I not correct in saying that the pay scale set, and the negotiations with the judiciary, in this particular case, is beyond the parameters of the *Public Service Commission Act*?

Hon. Mr. Kimmerly: Yes, it is. The pay of the judges is set by Order-in-Council. That has existed for many years. The policy of government is to set the pay of territorial judges at the fee level of Deputy Ministers. The new judge will get \$76,000, and the existing judge gets \$76,000 plus \$5,000 to be the chief judge, for a total of \$81,000.

Mr. Phillips: The deputy judges who come, where are they from? Are they the judges who are on the Judicial Council list?

Hon. Mr. Kimmerly: They are recommended by the Judicial Council, and appointed by the Cabinet by OIC. We have used one repeatedly, Judge Rowe, and another two or three on three or four occasions each, especially during the absence of the second judge. He is the land claims negotiator now, on a leave of absence. We have continuously had deputy judges, and the projection at period 9 was that it involved an expenditure of \$43,000.

Mr. Phillips: Can the Minister tell me what expenses we cover when we bring in these deputy judges from outside the territory?

Hon. Mr. Kimmerly: Travel, accommodation and meals. The accommodation allowances are the same as for all civil servants.

Mr. Phillips: What do the judges get paid when they come up,

what is the per diem?

Hon. Mr. Kimmerly: Three hundred dollars a day; it is a bargain.

Court Services in the amount of a reduction of \$90,000 agreed to On Legal Aid

Mr. Lang: I would like to hear what the Minister looks to for guidelines for this program. I know it is federally cost-shared, but I have been getting a number of observations from the public as far as this program is concerned and how it works, who is eligible and things like this. It almost seems to operate in a mysterious manner as to who exactly makes the decision and how the decision is made.

Hon. Mr. Kimmerly: I appreciate the question. I would appreciate knowing either here or privately the observations of the general public. This can be a controversial program.

As Members well know, legislators passed a new act, the *Legal Services Society Act*, in 1985, I believe — it may have been 1984. That act is not yet proclaimed, and it is not proclaimed for a good reason.

The previous government, I believe, had come to the same conclusion that I came to very early on in my tenure in this office, and that was that it was most unwise to proclaim it in its present form as we would lose control of the purse. The intention of the previous Minister, when it was passed, was that the program would be block funded, and should the program run out of money, that was just tough. The *itution of Canada* and the courts have an influence on all of that, and if the program ran out of money I know where the political heat would be felt: on the government.

We have determined that it is the responsibility of the government to the taxpayer that the government retain a measure of control over the method of delivery and especially the tariff; not over the allocation of legal aid on individual cases, but on some of the policies. In light of that, negotiations have been ongoing with both the new board, which has no legal status, as the act is unproclaimed, and with the Law Society and with the government.

We now have a policy that it is the government's intention that the Law Society and the Legal Services Society negotiate a tariff that the government will either approve or not approve, or eventually find a tariff that is acceptable to the government.

⁵¹ That is where it lies now. We have been told at one time that the Society did not want to negotiate a tariff. They asked the government to do that; however, it is our position that it is contemplated by the unproclaimed act that the Society negotiate a tariff. The tariff, of course, will be controversial between the bar and the Society.

Mr. Phelps: I am curious as to some fundamental policy decisions on this issue. Is the Minister, at this time, reviewing the basic policy decisions with respect to the manner in which legal aid is paid to individual lawyers, for example?

Hon. Mr. Kimmerly: That is a general question. Generally, yes. I can go into the areas, or wait for more specific questions. We are speaking about the method of delivery, which means: are there to be staff counsel or not, the method of selection of the lawyers who, especially, go on the circuit, which is a controversial topic, and the tariff that is the method by which lawyers are paid. They are now paid an hourly rate, and there is no effective check on the number of hours that lawyers spend on a case. I say, frankly, that the situation is out of control. There are some lawyers, unfortunately, who are abusing that scheme. Most of the lawyers, the vast majority, are not abusing it; however, there are one or two who are. The whole scheme is suffering and is out of control at the moment.

Mr. Phelps: Is the government going to be examining a fee for service tariff, a basic tariff for the various kinds of services so that there will be limits on what the lawyer can charge?

Hon. Mr. Kimmerly: Yes. We are interested in that on two levels, if you will. The Leader of the Official Opposition is probably quite aware of the Ontario scheme, where certain categories of offences have a tariff, being a dollar limit. It is certainly the policy of the government that we favour that approach for many categories of defences.

⁵² In addition, on the question of the hourly rates, the lawyers are paid \$60 an hour if they have under three years' experience, and \$70 an hour for three years' experience or over. On the circuits,

some lawyers are charging many, many hours a day; significantly more than eight hours a day. Obviously, it is in the government's interest, and we believe it is only reasonable, to limit the daily rate to a maximum of eight hours.

Mr. Phelps: On another branch, but the same issue, there has been a lot of concern raised to me, at least, by individuals about the largesse of government in providing legal aid for civil lawsuits. In fact, I have heard complaints — I must admit, though, that I have not investigated them thoroughly — of situations where bona fide businesspeople attempt to collect accounts, and they are faced with huge fees to litigate and collect accounts, and the debtor hires a lawyer to use whatever means available to delay and make that process expensive. But, particularly to delay. It seems to me that the very issue of whether civil legal aid ought to be granted and, if so, under what circumstances, is a policy issue that ought to be looked at by the government and, perhaps, brought forward to the House for debate. I am very concerned that that area of legal aid has been abused. I am also very firm in my belief that only a minimum kind of service ought to be provided. That position reflects the position of a vast majority of the taxpayers in the territory.

Hon. Mr. Kimmerly: I welcome that question and comment. For the record, I agree with the approach of the Leader of the Official Opposition. I have had complaints, as an opposition private Member, and as a Minister, about these kinds of cases. It is a difficult situation to deal with. As all Members can appreciate, it would be an abuse of a Minister's power to look into an individual case of granting of legal aid as it is administered by an independent board for a reason. There could be a perception of political influence. Nevertheless, there are these concerns, and I have heard the same kinds of concerns. The policy question is a very, very serious one, and is one that I believe the government has a responsibility to deal with.

⁵³ The possibility, of course, exists of cutting out civil legal aid entirely, but I would expect that would not be welcomed by Members as there are some cases where it is obviously desirable. However, there are two areas of concern. One is in the determination, in an individual case, of who gets legal aid on the merits of the case, and two, there is a growing practice that legal aid is granted to people on the basis that they promise to repay the amount. The record of repayment is very poor for the program. It generally means that on that side of a civil case legal expense is not a concern. Of course, any private person recognizes that it is a concern and some cases are not worth the expenditure of funds, although the other side of the question is that we should not deny poor people access to the courts, even the civil courts.

Mr. Phelps: I would be very interested in seeing the new policy paper worked up when it deals with the issues I know the Minister is sensitive to, because those do adequately encompass the conflicting needs before us.

On the issue of fee for service, whatever kind of case it may be, it seems to me that for a normal kind of case, there is a block fee with an hourly rate in addition to that be permitted by a board in unusual circumstances. That kind of fee schedule would do a lot to lighten the workload on the court system.

⁵⁴ I know from the days that I practiced privately, if you have a private client and you quoted a fee, you were pretty unhappy if you had to go back again and again and spend hour after hour in court. If the government is paying it open-endedly, the backlash on the lawyer does not become evident. That is one of the reasons that the Court seemed to be overworked; the cases were taking so much longer.

I will look forward very much to seeing the new policies of the government as they are drafted. Does the Minister feel that the public ought to have a stronger voice with respect to the actual setting of the tariff for lawyers?

Hon. Mr. Kimmerly: I thank the Leader of the Official Opposition for his comments. This has been a totally non-partisan debate, and we are both on the same side of the issue generally, and the taxpayers will benefit ultimately. The answer to the question is yes. The lawyers' union has had too much control for too long.

Mr. Phillips: I was standing a little while ago, but it is sometimes difficult to tell.

With legal aid, the Minister mentioned that there was a requirement to pay the legal aid back. What is the ratio? Do we get 50 percent of it back? Do we get one percent? Are there any figures for that, or is it in the budget here somewhere, where we see a return of those figures?

Hon. Mr. Kimmerly: It is not in the budget. It is less than 10 percent, but I do not know specifically. It is an interesting question. I will look into it.

Hon. Mr. Porter: I move that we report progress on Bill No. 17.

Motion agreed to

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

Motion agreed to

Speaker resumes Chair

⁵⁵ **Speaker:** I will now call the House to order.

May we now 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 directed me to report progress on same.

Speaker: You have heard the report of 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. Monday next.

The House adjourned at 5:27 p.m.

The following Sessional Paper was tabled April 17, 1986:

86-3-23

Young Offenders Secure Facility Functional and Space Program, May 31, 1985 (Draft Report) and Minister's notes (Joe)