

Whitehorse, Yukon
Tuesday, March 25, 2008 -- 1:00 p.m.

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

Prayers

DAILY ROUTINE

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

Tributes.

TRIBUTES

In recognition of World Water Day

Mr. Hardy: On behalf of the Legislative Assembly I would like to pay tribute to World Water Day. Water is life and we all need it, Mr. Speaker. Each year on March 22 is World Water Day, an initiative that grew out of the United Nations in 1992. Since its inception, communities around the world have organized to promote access to safe public water as a universal right.

Globally there is enough water to meet everyone's needs; however, 1.1 billion people live without access to clean water, resulting in over 400,000 children dying every day from diseases caused by dirty water.

Mr. Speaker, water is the blood of the planet. It feeds all living creatures; it ensures life. Without it, this would be a desert. Just over a week ago, Canada went on record at the United Nations, unfortunately, opposing the right to water and sanitation, blocking a resolution tabled by Spain and Germany. This is a shame. We urge the Canadian government to recognize the right to water. We urge the federal government to develop a national policy that protects Canadian water from the marketplace and prevents diversion, bulk exports and privatization. Even here in the Yukon, we have repeatedly had people living with boiled water advisories -- Champagne and Carmacks people come immediately to mind.

The Yukon Medical Association recognizes clean water as a determinant of health and has called on the Government of Yukon to participate in an all-government plan to adopt an integrated water stewardship approach to ensure that all Yukoners have access to adequate supplies of clean, safe and reliable drinking water.

In the meantime, a national union will be coming this spring to assist Carmacks in the repair of their infrastructure, and that is a very interesting initiative.

In winding up here, water is life; everyone in the world needs it; water is for people and it's not for profit.

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

TABLING RETURNS AND DOCUMENTS

Speaker: Under tabling of returns and documents, the Chair has for tabling the final report of the Electoral District Boundaries Commission. This report was released to the Mem-

bers of the Legislative Assembly, the media and the public on March 3, 2008.

The Chair also has for tabling two reports of the Auditor General of Canada, entitled *Government of Yukon's Role in the 2007 Canada Winter Games* and *Investment in Asset-Backed Commercial Paper -- Department of Finance*. These reports were released to the Members of the Legislative Assembly, the media and the public on February 7, 2008.

Are there further documents or returns for tabling?

Hearing none, are there any reports of committees?

Are there any petitions?

Are there any bills to be introduced?

INTRODUCTION OF BILLS

Bill No. 46: Introduction and First Reading

Hon. Mr. Kenyon: I move that Bill No. 46, entitled *Act to Amend the Liquor Act*, be now introduced and read a first time.

Speaker: It has been moved by the minister responsible for the Yukon Liquor Corporation that Bill No. 46, entitled *Act to Amend the Liquor Act*, be now introduced and read a first time.

Motion for introduction and first reading of Bill No. 46 agreed to

Bill No. 47: Introduction and First Reading

Hon. Ms. Horne: I move that Bill No. 47, entitled *Miscellaneous Statute Law Amendment Act, 2008*, be now introduced and read a first time.

Speaker: It has been moved by the Minister of Justice that Bill No. 47, entitled *Miscellaneous Statute Law Amendment Act, 2008*, be now introduced and read a first time.

Motion for introduction and first reading of Bill No. 47 agreed to

Bill No. 48: Introduction and First Reading

Hon. Ms. Horne: I move that Bill No. 48, entitled *Act to Amend the Summary Convictions Act*, be now introduced and read a first time.

Speaker: It has been moved by the Minister of Justice that Bill No. 48, entitled *Act to Amend the Summary Convictions Act*, be now introduced and read a first time.

Motion for introduction and first reading of Bill No. 48 agreed to

Bill No. 49: Introduction and First Reading

Hon. Mr. Fentie: I move that Bill No. 49, entitled *Act to Amend the Financial Administration Act*, be now introduced and read a first time.

Speaker: It has been moved by the Hon. Premier that Bill No. 49, entitled *Act to Amend the Financial Administration Act*, be now introduced and read a first time.

Motion for introduction and first reading of Bill No. 49 agreed to

Speaker: Are there any further bills for introduction?
 Are there notices of motion?

NOTICES OF MOTION

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

THAT an increasing number of Yukoners are unable to find affordable housing;

THAT the Government of Yukon has received millions of dollars from the Government of Canada to develop affordable housing; and

THAT this House urges the Government of Yukon to move expeditiously to help create more affordable housing for Yukoners.

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

THAT this House urges the Government of Yukon and the Government of Canada to convey to members of the U.S. Senate and House of Representatives that neither high oil and gas prices nor the desire to increase domestic sources for these resources should be used as an excuse to permit exploration or development activity in the Alaska National Wildlife Refuge.

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

THAT this House opposes any move to outsource workers' compensation services to another jurisdiction, such as Alberta or British Columbia, in an effort to reduce administration costs.

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

THAT this House urges the members of the Public Accounts Committee to honour their responsibility to the Yukon people by meeting at the earliest opportunity to arrange for a public hearing in all matters related to the Yukon government's investments in asset-backed commercial paper, which have been deemed by the Auditor General of Canada to have been in breach of the *Financial Administration Act*.

Speaker: Are there further notices of motion? Hearing none, is there a statement by a minister?

Hearing none, that brings us to Question Period.

QUESTION PERIOD

Question re: Asset-backed commercial paper investments

Mr. Mitchell: I have some questions for the Minister of Finance. Last summer, the minister made \$36.5 million in bad investments. We still don't have our money back, and we may never get it all back. The story in today's *Globe and Mail* says the frozen paper may have lost 40 percent of its face value, according to an RBC analyst.

The Premier got caught and it is Yukoners who are going to pay the price. The 36.5-million investment was part of an overall investment strategy that was very risky. The Premier made other investments in these types of bonds -- almost \$120-million worth. Let me give you some examples: Rocket Trust; Comet Trust; Aria Trust; several more in Symphony Trust, all of which are currently frozen.

Why was the Premier gambling people's money in such a reckless way?

Hon. Mr. Fentie: To help the Member for Copperbelt correct the record, the government does not gamble with people's money, nor did the governments as far back as 1990 gamble with people's money. In fact, they made investments in this area in good faith, as this government has done. The difference between this government and past governments is that we've recognized that there are some challenges in relation to this particular investment, thanks to the banks not living up to their agreements of liquidity. We have implemented a policy, Mr. Speaker, to ensure that no further new investments in this area can take place.

But I would caution the member, also, to accept as fact reports out of the media on so-called 40-percent losses. The arrangement on restructuring has yet to be completed.

Mr. Mitchell: I'll correct the Finance minister: the reports are on the current reduction in face value, were people to try to cash these in today. As far as new policies, all the Premier had to do was follow the old policy. If he had followed the act, we didn't need a new policy. The old one was fine.

Now \$36.5 million is missing and the same people who took it are now promising to give it back in five years or nine years. The fact remains that we don't have the money to spend today. This \$36.5-million investment was part of a larger risky investment strategy that this Premier was pursuing. It supposedly paid higher returns and there was more risk and the Premier got caught. In the last number of years under his watch the government has made more and more of these types of investments. The amount tied up could have been higher but we luckily got out in time.

Why was the Premier pursuing this risky strategy?

Hon. Mr. Fentie: The short answer is that the member's position is complete nonsense. The facts are that a total of \$1.7 billion -- if you follow the member's logic -- was put at risk by governments of the Yukon as far back as 1990. We have changed nothing other than to ensure that this can't happen again.

Mr. Mitchell: The Premier's answer is complete nonsense. He talks about \$1.7 billion being put at risk. Events and the investment climate were different in 1990, 1995 and 2000 than what they were in the summer of 2007, when everyone was talking about the shaky house upon which this strategy was built.

Now, this was all part of a risky strategy. Last summer, the Government of Yukon was busy buying this junk, week after week. In Nunavut, they bought none of it. Their rules don't allow the territory to put its money into ABCP.

"We based our regulations on the amount of risk that we wanted to take. Our primary concern was safety of capital," a Finance official said. "I think we're just more conservative." Well said, Nunavut.

This Yukon Party government bought millions of dollars of this stuff when others were steering clear. Of course, we already had rules in place, but the minister didn't follow them. In the end, \$36 million is frozen; we may not get it back.

Why did the Premier take all this risk with Yukoners' money?

Hon. Mr. Fentie: You know the member's questioning here is getting more and more ridiculous -- to make these assertions that this government suddenly decided to take risks with taxpayers' money. The facts are the investments were made under the same conditions, under the same *Financial Administration Act*, under the same agreements of liquidity, and in the same trusts as created by banks and the investment community -- no different from what past governments were making.

What this government has done, however, is implement a new policy -- I repeat for the Member for Copperbelt, a new policy -- to clear up this matter and, furthermore, Mr. Speaker, is this member suggesting Nunavut is in a good financial position to even decide to make investments? I think not. Nunavut is in serious financial difficulty, probably can't make investments and I think it's clear that this government's financial management ensures that we can: to date -- no loss, by the way, Mr. Speaker -- no loss in our investments, approximately \$20 million in earnings.

Question re: Asset-backed commercial paper investments

Mr. Mitchell: Mr. Speaker, let's try a different tack. We'll ask some questions of the Deputy Premier on the statement she made here last fall about the government's \$36-million investment in frozen investments. She had lots to say last fall and nothing to say last Thursday. Let's see if the Premier lets her speak today.

The Deputy Premier claimed the \$36.5 million dollar investments were backed by a bank -- not the case. She claimed the Auditor General knew all about these investments and was okay with them -- again, not correct. She claimed this Yukon Party government was following the *Financial Administration Act* when it made these investments -- again, not so. Yukoners want an explanation for why so many things she said here last fall turned out to be not correct.

When the Auditor General was in town last month, she said there will be a loss. The question now is: how much?

Instead of covering for her boss' fiscal mismanagement, will the Deputy Premier admit what everyone has known for months: we are going to lose money on these investments. Will she do that?

Hon. Mr. Fentie: Mr. Speaker, I think the problem here is the incorrect approach by the Member for Copperbelt in trying to articulate this very issue. I think it demonstrates this member does not know what he is talking about.

First off, to suggest there is a loss here would be for somebody to firesale these assets. That is not what the restructuring plan is all about. It's restructuring it to ensure that a maturity date can be established so that not only is the principal returned but interest will be earned on the investment. That has yet to be completed. The member opposite should be a little less presumptuous in his positioning.

Furthermore, the member has suggested the Auditor General did not know about these investments. I beg to differ and the member should correct the public record. These investments were fully disclosed each and every year-end, as audited by the Auditor General. The member has to correct the public record.

Mr. Mitchell: Well, I'll correct the public record, Mr. Speaker. The Auditor General said she didn't know we had investments that weren't in compliance.

Now, the Finance minister hasn't answered any of the questions that we asked of the Deputy Premier. She still has a lot of explaining to do. Last fall, she had a decision to make: should I go into the House and read the Premier's briefing notes and pretend that nothing is wrong, or just admit that we made a really big mistake? Unfortunately for Yukoners, she chose the former.

The Deputy Premier said our money was guaranteed. It wasn't. She said the Auditor General was fully aware of the investments and had no problem with them. Not so. She said the government was following the law. It wasn't.

She also said repeatedly that we're not going to lose any money. Again, not correct. We've been losing interest for months. We have a supposed promise, if we sign on to a deal, that we may get it back some day -- from the same people that can't pay it back now.

We still have no guarantee that we'll see all of our money again. Why wasn't the Deputy Premier up front with Yukoners when I raised these questions last fall?

Hon. Mr. Fentie: The Member for Copperbelt is now alluding to wrongdoing by a member of this side of the House. Frankly, the Deputy Premier, in my stead, did her job, unlike the Member for Copperbelt who isn't doing his job.

Now, the Member for Copperbelt has already quit the Public Accounts Committee. He has quit on Yukoners. He's not doing his job. He's being irresponsible, and his line of questioning is not borne out by the facts. So maybe the member wants to move on to something more constructive.

Mr. Mitchell: Once again the Premier is trying smoke and mirrors to change the question. I didn't say that this member committed a wrong act -- referring to the Deputy Premier. The Premier is suggesting that; that's his opinion. I said that she didn't present the information we asked for last fall.

Mr. Speaker, I think a lot of Yukoners are disappointed in the Deputy Premier's role in this whole affair. She had a chance to do the right thing -- stand up, be straightforward on this issue -- but she didn't do it, and I think that's too bad.

So, I'll ask one more time. The Deputy Premier, over the period of about a month last fall, had plenty of time to look into this entire mess and decide for herself whether or not the investments were up to par. She chose not to. Instead, she just read the notes and did what she was told. Why didn't this minister admit the obvious last fall, namely that the government's bad investments were outside of the *Financial Administration Act* -- outside of that law -- which has tied up millions of our tax dollars for years to come?

Hon. Mr. Fentie: Now that the Member for Copperbelt wants to talk about correcting the record, let's delve into that. The Member for Copperbelt has said in this area that it is a cover-up. Wrong. The member should stand on his feet and correct the record or resign, because these items were fully disclosed.

The member has said that we've lost money. Wrong. The member should stand on his feet and correct the record or re-

sign, because we're making money -- approximately \$20 million to date, Mr. Speaker. The member says that there was no liquidity agreement in place. Wrong. The member should stand on his feet, correct the record or resign. On second thought, the Member for Copperbelt has so many corrections to make that he'd be on his feet for days; he should just resign.

Question re: Asset-backed commercial paper investments

Mr. Hardy: There is lots of advice being passed around.

Mr. Speaker, there are many, many questions that the public wants answers to about last summer's investment of \$36.5 million in asset-backed commercial paper. What they want to know most is how long this money will be tied up and how much the government could stand to lose on these investments? They also want to know how this debacle happened. Unfortunately, Yukon Party members of the Public Accounts Committee chose to block that opportunity. As well, the Liberals tried to quit; neither are serving the public good. That leaves us with no other choice but to pursue the matter here in the House. My first question is this: when and how did the Minister of Finance first learn that there was a problem with these investments?

Hon. Mr. Fentie: First, Mr. Speaker, I must agree with the Leader of the Third Party that the Liberals have quit. They have quit their responsibility; they have quit on Yukoners; they have quit any sort of constructive input in this Legislative Assembly, unlike the third party, which continues to bring forward constructive debate and issues.

So to the Leader of the Third Party, we as a government became aware of this issue when the banks reneged on their liquidity agreement. Secondly, we became aware along with everyone else, with respect to the FAA issues, as reported by the Auditor General when the Auditor General tabled her report.

Mr. Hardy: Now, I am not asking for opinions or predictions about what may or may not have happened to the money involved. I am not making any accusations; I am simply asking the minister for factual information that he should have at his fingertips.

According to the public accounts for 2006 and 2007, the government learned last August that its short-term investment in two trusts would not be redeemed upon maturity. So I am asking for dates, if the minister can send over a briefing on this. When did the minister's officials break the bad news to him and what direction did the minister give as a result of that?

Hon. Mr. Fentie: As I said in the first question, when the banks failed to meet their liquidity agreement. Secondly, we did fully disclose this matter in public accounts and I think clearly that demonstrates how quickly the government acted responsibly in this area. I want to suggest also to the Leader of the Third Party that we must allow the process of restructuring to conclude, to reach its inevitable end, because there are very important matters in relation to that: this whole area is under protection now, and that is important; secondly, the restructuring is ensuring a maturity date will be there in the future; and, thirdly, we have to understand that the total value will be reinvested. So to suggest today there is a loss is incorrect. We must

let the restructuring process conclude, unlike the Official Opposition and the Member for Copperbelt, who are already deconstructing a restructuring process that has yet to be completed.

Mr. Hardy: I feel the public deserves an answer to many of the questions surrounding this and it is not, as I said, about making accusations and trying to embarrass people or insult them. It is about getting to the bottom of this story. It is also about allowing the Public Accounts Committee to do their job because, as long as it is not up and functioning, we are not doing the public good in here. That is a fact; we have a duty to make sure that committee works. If someone owed me \$36.5 million and decided to default on it, I certainly wouldn't be shrugging it off. I would want to know exactly what went wrong and what could be done to get my money back, and I would want a detailed explanation about legal opinions that were open to me.

Mr. Speaker, the Public Accounts Committee could get to the bottom of that. We shouldn't be doing so much questioning around this in the Legislative Assembly.

Now, did the minister ask his officials to get a legal opinion on this matter or did he himself seek advice about the legal implications of this default and how the Yukon government got into this situation in the first place?

Hon. Mr. Fentie: For the member's benefit, when the Finance officials had their briefing with the media, post Auditor General's report, they were very clear that there is another legal opinion that is inconsistent with the Auditor General's opinion. They stated that publicly. What we as a government have stated, however, is that we accept and respect the Auditor General's opinion.

But I think we have to focus on the facts. As the restructuring process evolves, this whole investment area has been structured into class A1 and A2 notes that will pay a quarterly interest equivalent to a banker's acceptance minus 0.5 percent. Class B notes will also accrue interest at the same rate as A1 and A2 notes, but will only pay out at maturity. Class C notes will accrue interest at a rate of 20 percent per annum.

There's a way to go yet to conclude the restructuring but, to the member's point of finding out how we can address the situation, everybody involved is working on ensuring that the restructuring plan will allow all invested -- Yukon, Alberta, Ontario, Canada Post, Air Canada; the list goes on and on and on -- to recoup their investment.

Question re: Asset-backed commercial paper investments

Mr. Hardy: Now, on October 17 last year, the Minister of Finance signed off the public accounts for 2006-07. Page 81 contains a note to the financial statements outlining what we know quite well, that two trusts, totalling \$36.5 million, were not redeemed on the maturity dates of August 31 and September 4. I assume that the minister read the public accounts document, including the note on page 81, before signing it off. This was more than two months after the department learned about the ABCP problem. The minister had plenty of time to get to the bottom of what went wrong.

My question is this: in that time, did the minister seek any explanation from his officials, or from outside the department,

about how these ABCP investments had gone sour when this had never happened before?

Hon. Mr. Fentie: Well, yes -- the short answer is yes. It's pretty clear. The only time this became an issue, after years and years and years of investment -- a total of \$1.7 billion worth of investments -- the only time it became an issue is when the liquidity agreements were reneged on by banks. That's exactly what has transpired.

Since then, work is being done by all involved here to ensure that this issue is going to be dealt with fairly, responsibly, and so those who have invested will recoup their money. It's just not the Yukon, Mr. Speaker. There is a long, long list of governments, public corporations, corporate Canada and indeed individuals who invested in this particular area including, by the way, the regulatory body that deals with government pension superannuation. All of this is an important matter to this government and to all concerned and we are going to stick to the process to ensure that we not only don't lose money, but we continue to make money.

Mr. Hardy: Last week, the minister insisted that these investments in ABCPs were business-as-usual; that governments, as far back as the Penikett administration, had invested in them; but we know that simply is not the case. This particular form of investment didn't even exist before 2001. It's this minister and this government that not only invested in less secure forms of ABCPs, but allowed these investments to grow exponentially. A lot of this argument rests around bank issues.

When and how did the minister first learn that these trust investments did not have the same guarantee that bank-issued ABCPs have?

Hon. Mr. Fentie: That's an interesting angle, Mr. Speaker, but I want to inform the member opposite that he is way off base. The facts are that investments, as this trust is, were being made all along by past governments. No difference. And the liquidity agreements were also in place. It only became an issue when the banks did not meet that liquidity agreement.

So, Mr. Speaker, once again, the Leader of the Third Party is asking the same question only in a different approach. The answer is going to be the same, over and over and over. So we either move on or we continue to discuss something that has now had so much misinformation put toward it, I don't think the public even understands what the opposition is trying to point out -- if the Official Opposition had a point.

Mr. Hardy: Mr. Speaker, it is interesting because it is the public that is asking me to ask these questions, so I think they understand very clearly what is happening.

The Auditor General has said these investments did not meet the security requirements called for in the *Financial Administration Act*, but of course that's just her opinion.

The Justice department came to exactly the same conclusion, and I suppose that's just an opinion as well.

Well into November, the minister and the acting minister were insisting that these investments were guaranteed by the banks and had the highest possible rating.

Will the minister now acknowledge that the statements he and the acting minister made in the House last fall were not correct?

Hon. Mr. Fentie: Well, Mr. Speaker, no, I cannot acknowledge that because the statements were correct. What is not correct is the member's assertions. These investments not only had liquidity agreements in place by the banks, they are also rated with a triple-A rating. I don't know what part of the facts the member just does not want to listen to in the answer. There is no possible way, Mr. Speaker, to respond to questions of that nature, because, if I did so, in the manner that the member wants, I would be misinforming the public.

Question re: Climate change action plan

Mr. Elias: I have a question for the Environment minister. Climate change is the single most pressing issue facing our planet today, and nowhere will the effects be more pronounced and more immediate than in Canada's north. We as a territory have never experienced anything of this nature or magnitude before. Combating climate change will take experts, time and massive financial resources. As in any project of this magnitude, planning is of the utmost importance.

Will the minister explain to this House how the relatively small amount of \$130,000 announced in the budget speech for the climate change action plan hopes to address the problem?

Hon. Mr. Fentie: Mr. Speaker, I share the member's concern about climate change, and that is why this government has actually developed a climate change strategy. That is why we have been instrumental in getting adaptation on the national agenda. We have been very successful with that and, in fact, even the federal government now recognizes that further attention must be paid to adaptation in the north.

Now, to suggest that all we're investing in climate change is \$130,000 is the typical approach by the Official Opposition - cherry-pick an issue out of context, out of the total detail of an \$899-million budget, and then try to create an issue. The issue here is climate change is a critical, critical problem for the north, as indeed the global community now understands. This government has taken action; we're doing so with our national partners. We even now have entered into discussions with the State of Alaska, so I'm very encouraged by the progress being made, along with many of the Yukon representative bodies and indeed the Yukon public and First Nations who have made a great contribution to this initiative.

Mr. Elias: Mr. Speaker, if rhetoric were worth money, this would be the wealthiest government on earth. The facts are, Mr. Speaker, that there is still no climate change action plan ready to be implemented. No plan means that various levels of government and their departments are going off on their own with no identified goals, no identified outcomes and no identified criteria for measuring success. Mr. Speaker, \$130,000 is less than one percent of his department's budget. Mr. Speaker, this is the same minister who has gambled and jeopardized our finances, and now the minister appears to be doing the same with our environment. When are the minister and this government going to get serious about climate change?

Hon. Mr. Fentie: Well, given the line of the member's question, I can tell you that the government is a lot more serious than is the Official Opposition when it comes to climate change.

The climate change action plan is being developed in conjunction with Yukoners, with expertise, with the International Polar Year initiative. With so many others involved here, that input is critical to designing and implementing an effective plan. We're going to do the hard work. We're not going to stand on the floor of the Legislature and point out, through a misunderstanding -- and that's being kind -- of what is really going on with climate change in the Yukon under this government's watch.

Mr. Elias: There are always consequences for bad judgement, and for this Yukon Party government to go on with no climate change action plan is simply bad judgement.

This same minister has allocated \$227,000 for office furniture, equipment, systems and spaces in this year's budget. These numbers speak volumes about this minister's commitment to, and understanding of, the environment.

Mr. Speaker, this is simply not acceptable; it's not acceptable at all. I understand it's World Water Day, and judging by the minister's words, he thinks he can walk on water. Well, let me tell you that there's some water missing from my riding, and that's in the Old Crow Flats. That's real climate change.

When is the minister going to stop avoiding responsibility and show some leadership and advise Yukoners when this government will unveil the climate change action plan?

Hon. Mr. Fentie: Well, unveiling the plan will come in due course. But the Member for Vuntut Gwitchin suggesting that this government has done nothing is incorrect. Old Crow Flats -- it's this government, in conjunction with the Vuntut Gwitchin government, that has protected some 8,000 square kilometres of Old Crow Flats.

Mr. Speaker, I think that speaks volumes about the priority we place on our pristine environment and the impacts of climate change.

Question re: Asset-backed commercial paper investments

Mr. Mitchell: Thank you, Mr. Speaker. I have more questions for the Minister of Finance.

Last Thursday, the minister said some interesting things. One of the things he said was that the Auditor General's report said that, as far back as the 1990s, the government was investing in these instruments.

I have a copy of the report in front of me; I would be happy to send it across. It is nine pages long. There is no mention of the 1990s anywhere in it. The Auditor General said no such thing.

Now, the minister says we have been investing in these for years. Well, economic times change. One hundred and twenty years ago, the minister could have made great investments in buggy whips; more recently, not so much.

When you lose money or your money is tied up, it means some things don't get done. It works that way in a family and it works that way in government. One look at the budget and it is obvious that projects are now on hold or delayed because of the uncertainty caused by the reckless approach that this minister took with our money. For example --

Speaker: Order please. Ask the question.

Mr. Mitchell: -- where is the health centre? Will the premier admit that this risky strategy has delayed this project?

Hon. Mr. Fentie: Well, considering the member's position last Thursday on the budget about so-called dependency on Ottawa and failing to mention the once-again increased investment in this territory in health care, education, our environment, in diversifying our economy, and in building Yukon's infrastructure, one can only wonder where this member is coming from. To correct the record once again, the Auditor General said governments -- plural -- governments in good faith were making these investments.

Mr. Mitchell: I don't believe she said that in this report. Mr. Speaker, we know the Premier has never made a mistake. He won't admit to one; he has never made one. But \$36.5 million is tied up for five to nine years; that is a fact. We may never get it all back at all. That is a fact brought forward by the proponents of the restructuring. We may get it back. The result is that projects are delayed or cancelled altogether. There is a \$36.5-million hole in our future plans because of this minister's gambler-like approach to investments.

The Dawson City health centre promised since 2005 is off the books -- not even money for planning.

Let's look at another project not mentioned in the budget: the reconstruction of F.H. Collins. It is also delayed because of the financial uncertainty caused by this minister. This minister took unnecessary risks and the results will be felt for years to come.

Will the Premier admit the F.H. Collins school replacement is delayed because of this investment fiasco?

Hon. Mr. Fentie: I'll do no such thing. It's rubbish, Mr. Speaker. I've never heard such rubbish. To suggest that things are delayed in Dawson City is conveniently ignoring the fiscal disaster the former Liberal government inflicted upon the City of Dawson by allowing them to exceed their debt limit -- under the act, by the way, if the member's listening. This government bailed Dawson City out, came forward with a financial package and is working on all issues important to Dawson City, as we are on all issues important to Yukoners. That's why the Yukon today is a better place than it was under the former Liberal government.

Mr. Mitchell: What's rubbish is this minister's investment portfolio on behalf of Yukoners -- that's what's rubbish, \$36.5-million worth of rubbish.

The Auditor General investigated the minister's investments and found they didn't follow the *Financial Administration Act*. The minister told Yukoners the investments were backed by a bank; the auditor disagreed and now he talks about liquidity agreements. Straightforward, she said they were never backed by a bank.

The Deputy Premier repeated these claims several times last fall; she is silent so far this sitting, refusing to answer the direct questions being put to her.

The results of the Premier's risky adventures are evident in the budget tabled last week. We're scaling back capital spending because of the uncertainty around the \$36.5-million mess. Projects are being delayed in Dawson, Whitehorse and around

the territory. The Premier can deny it all he wants but his follies have already had a negative impact on Yukoners.

Will the Premier admit that his bad investments have tied the hands of Yukon governments for years to come?

Speaker's statement

Speaker: Before the Premier answers the question, I just would like to remind the Leader of the Official Opposition that the government body is a collegial body; any member can answer for any member. Just keep that in mind as you are asking the questions.

Hon. Mr. Fentie: Thank you, Mr. Speaker. I am not going even to respond to the member opposite's questioning, because it is not based in fact at all. To suggest that this territory is cutting back when we, once again, have tabled another large, record-size budget with record capital investments compared to past governments. Under the Liberal watch, this territory was a dismal place to be.

Mr. Speaker, we have not cut back on anything. In fact, we are increasing. We are increasing our investments in health care for Yukoners. We are increasing our investments in curriculum and education initiatives, so that we can better educate young people and Yukoners to build our future. We are increasing our investments in infrastructure, highways and hydro, reducing our emissions in CO₂ output, for example.

I can assure the member just one thing. If this government ever -- and I doubt it is going to happen -- has to be faced with reducing investment, the first cut we will make is the member's wages.

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

ORDERS OF THE DAY

Notice of government private members' business

Hon. Mr. Cathers: Pursuant to Standing Order 14.2, (7), I would like to inform the House that, in the interest of offering members the opportunity to debate a private member's bill, Bill No. 104, the government private member will not be identifying any items to be called on Wednesday, March 26, 2008 under government private members' business.

Speaker: We will now proceed to government bills.

GOVERNMENT BILLS

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

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

Mr. Mitchell: It is my pleasure to rise today to respond to the government's 2008-09 budget. Before getting to the budget, I would like to again thank the residents of Copperbelt for their continued support, for the many phone calls of support and for their oft-provided input and insight on many issues that affect our riding and Yukon.

Copperbelt remains the most populated riding in Yukon and a very diverse riding: suburban neighbourhoods in Copper Ridge, Granger and Hillcrest; rural areas along the Fish Lake Road; country residential areas like Canyon Crescent and Pine-ridge and many areas along the Alaska Highway, as well; mobile homes in Lobird; industrial activity in McCrae and along the McLean Lake Road and below Hillcrest; hotels, apartment houses, churches, an elementary school and the airport. There are beautiful wilderness areas surrounding McLean Lake, by Ice Lake and along the Fish Lake Road, beyond Copper Ridge, as well as elsewhere across the riding. In fact, you could move within this one riding and enjoy suburban living, country living or ranching, and still remain in Copperbelt.

While the redistricting that will occur in the next general election will change the nature of the riding, as it is divided into portions of four different ridings, it continues to be my pleasure to represent all of these diverse areas now and over the next few years.

I would also like to take this opportunity to thank the some 4,000 public servants who work seven days a week on behalf of Yukoners. Yukon public servants look after our health care; educate our children; provide emergency services -- medical, firefighting, ambulance; respond to auto accidents; maintain our highways; safeguard our environment; and work together with the private sector to create our economy. We appreciate your work. While we may criticize the political arm of government for the spending decisions that they make, or do not make, we know that our public servants provide their dedication and expertise to the elected politicians who govern regardless of their political stripe, and we thank you.

Mr. Speaker, it is nice to be back in the Legislature and, for the first time in several years, before the end of the fiscal year. If nothing too odd happens, we may actually be done in time to enjoy some Yukon spring on the other end of this sitting.

Before we get to the budget itself, I would like to talk about the process that the Yukon Party government has used, once again, to get us to this point -- and I speak of warrants. Let's start with the fact that, even before we came into this House to debate the budget, almost \$200 million of it has already been approved outside of this House by special warrant.

It's an incredibly arrogant way to run a government, and it has become common practice under this Premier's watch. It has been done every year this Yukon Party government has been in office, except for 2003, their first full budget year.

Now, a disturbing characteristic of too many second-term governments is that they can become arrogant and dictatorial. They think they know what is best for people, and they make decisions without asking anyone's opinion, other than their own.

Sadly, this is already the case with this Yukon Party government, and we are still in the early stage of this mandate. \$200 million has already been approved -- more than 20 percent of the entire year's budget -- with no public scrutiny and no comment or debate whatsoever from the people's elected representatives here in the Legislative Assembly. It demon-

strates how little respect this government shows for this House and for the elected representatives in it.

A few years ago, when the Premier bypassed the Legislature in a similar fashion, he described it as an effective way to manage the public's money. It's effective, all right. It's also arrogant, undemocratic, and completely unnecessary.

His excuse for why he did it this year was that, one time during the 1990s, there was a case where opposition members filibustered an interim supply bill and prevented it from passing. "We ensured that won't happen," explained the Premier in a local paper.

I remember well the incident the Premier refers to. The Premier at the time was part of an NDP government. The opposition at the time was the Yukon Party, led by former Premier Ostashek. Now, the Member for Porter Creek talked out the clock one day, and the NDP was unable to pass an interim supply bill. The result was that, technically, the government ran out of money. It was one of the few days a former member of this House, the MLA for Faro and Minister of Economic Development, was held speechless.

Now, the only party I know of that has ever shut down an interim supply bill in Yukon is, in fact, the Yukon Party. You'd never see us do it, and I think I can say the same for the NDP. We both have too much respect for this Chamber -- something that is in short supply across the way.

I'm not surprised by the Premier's my-way-or-the-highway approach, but it is completely unnecessary and it demonstrates once again the failure of the government to work cooperatively with all the other parties in this House. The government could have and should have passed an interim spending bill, which would have enabled us to raise questions about it before it was passed. We're here in March; we could have done this. It's needless to use special warrants this way. These special warrants are supposed to be used for special circumstances, when the Legislative Assembly is unable to debate the spending. The decision shows this government's lack of respect for the democratic process and disregard for the public trust. The minister and his colleagues haven't mended their ways since the \$36.5-million investment scandal, and that's truly unfortunate. I had hoped the government would have demonstrated improvements to regain the public's confidence in how their money is spent.

Once again this year, there is no reason to bypass the Legislature. Last year the Premier blamed the Canada Winter Games. Now we had only known about the winter games for the previous five or six years. That excuse really held no water. All the Premier had to do was call the opposition parties and get a commitment for interim spending authority to see it through until the full budget was passed. Did the Premier do that? No, he refused to cooperate with the opposition parties.

Now, Mr. Speaker, one of the main duties -- if not the main duty -- that we as MLAs have is to decide how to spend taxpayers' money. It is our job to weigh different options and decide how best we can serve the public. We should do that in front of the public, transparently, as we are doing today. Instead, this government makes these decisions in secret with no

public debate. \$200 million has already been approved without any public discussion.

Now, pre-announcements -- let's move on to another way that this government demonstrates so little respect for the Legislative Assembly. A fundamental part of the democratic process is to announce spending decisions in the budget in the Legislative Assembly first. This has long been the practice of governments across Canada; it has been this way for many, many years.

Not that long ago, ministers of finance resigned when there was an accidental leak of one small item from an upcoming budget. And, of course, there are reasons for that -- it is not just tradition. It is to ensure that there is no unequal opportunity given to companies or individuals based on information that has not been fully disclosed -- there are reasons for the precedent.

Under the Yukon Party government, that has not been the case. Over the last few weeks, we have seen millions of dollars -- millions and millions -- in announcements outside this Legislative Assembly prior to ever hearing the budget speech. It leaves the public to wonder why the Premier has such little regard for this institution that he can't be bothered to make budget announcements here first.

There is a simple way to demonstrate that the Premier and this government have any respect for the Legislature: they would not make any budget announcements outside the House until the budget has first been released here in the Legislature, in front of the people's elected representatives.

In the government's arrogance, they seem to have forgotten already whose money they are spending. It is not their money. They are elected to look after it in trust on behalf of Yukoners. When the government makes budget announcements outside the House well before they happen inside the House, there is a danger that the representative role of each and every member of this House is undermined, this House is diminished and respect for the institution is diminished, and that our Legislature is rendered ultimately irrelevant.

Now sadly we know that the Premier won't heed our advice on this matter because, as he demonstrates daily, he is convinced that he knows best.

Mr. Speaker, back in the fall of 2006, the Premier campaigned for re-election on a promise to hit the ground running. Basically he said he had spent the first term getting everything up to speed and we'd see action in the second term. People believed him and expected him to keep that promise. The second budget once again demonstrates that those promises are beginning to unravel.

The run has slowed to a crawl. There continues to be a lot of planning but very little action. The budget does not deliver on any long-term plans for economic diversification, on improving our education system, on moving forward with addressing climate change -- not at a snail's pace, because climate change is no longer occurring at a snail's pace, but in a way in which to allow Yukoners to deal with the very serious problems that we are seeing in Yukon. You know, my colleague, the Member for Vuntut Gwitchin, remarked earlier about walking on water. Well, based on what I saw on a trip last year to

Old Crow out on the Flats, it is easy to walk on water now because it is like walking in the Sahara Desert -- you are walking where the water used to be but no longer is, on a cracked lake bed.

I know that the Member for Vuntut Gwitchin and the people he represents are very concerned that it is simply the beginning of more ecological disasters to come for his people. In this case, the people of Vuntut Gwitchin are like the canaries in the coal mine for Yukoners: they are seeing these effects first -- although my colleague from Kluane might beg to differ, looking at the beetle infestation that ravaged the forests of southwest Yukon. I know that there is another beetle infestation, the pine beetle, which is moving up rapidly through British Columbia, and we may see that before too long as well. These things are coming here and they are coming here a lot faster than \$130,000 or \$300,000 worth of planning is going to address.

Now, I'd like to move on to talk about reannouncements. There are quite a number of reannouncements in this budget. These include projects that began years ago and are still not done, like the Watson Lake multi-level care facility, and new projects like the upgrades to the Campbell Highway, which were first announced many months ago, last fall.

There is half a million dollars for the development of a two-year licensed practical nurse program at Yukon College -- a program we support, by the way -- and one we have been calling for now for a number of years, but it has already been announced several times. The Premier has reannounced dollars for the territorial health access fund to improve community health services. This is of course money in the Minister of Health and Social Services department. We have not heard much lately from the Health and Social Services minister. Perhaps his leadership rival two seats over has been hogging the spotlight.

This government has also reannounced \$6.3 million for childcare to increase subsidies, to increase the number of parents eligible for subsidies and to increase wages for childcare staff. Last year, in fact, the government essentially adopted our childcare platform and put it in place as its own. During the 2006 election, they said it was irresponsible to put numbers on a plan during a campaign. Then they adopted it. We're glad they did. It will mean a better system for everyone and we support it. I'm still really curious why a Finance minister would think attaching numbers to proposals would be irresponsible; it seems to me it's the only way to make proposals that people can take seriously, but there you have it.

There is \$960,000 this year to begin developing a 30-unit, affordable, single-parent family housing complex. It is particularly for single women with children -- according to the budget highlights -- and for single parents, according to the budget speech. I know the government could not make up its mind exactly what this initiative was for, and apparently it still hasn't decided who will be allowed to live in it, based on the differences between the documents, but I know that when the Deputy Premier announced it earlier this year, she indicated that she had no idea yet what it would look like, where it would be, or

when it would be ready, but we are encouraged that something is going to be done.

This is money from the Government of Canada that arrived in 2006. For such a priority, it has only taken this government two years to think about how to begin to spend it. During those two years, of course, we've seen more and more people struggle to find affordable housing. I don't have the stats in front of me, but I know I was just reading, as recently as this weekend, the latest housing prices from the past quarter in Yukon. I think the average was somewhere around \$293,500 for a house in Whitehorse, and that ranged from \$260,000 in Riverdale to well over \$300,000 in Granger and Copper Ridge and country residential.

While Yukoners who have equity in existing homes are obviously pleased to see the equity increase, more and more people are being priced out of the housing market. More and more of our children can't afford to buy a house based on these prices, so there is a real need for affordable housing and we would like to see more done.

It is funny, by the way, that his announcement was made by the Deputy Premier, because the money isn't even coming from her department; it's in the Yukon Housing Corporation budget. Of course again the explanation is quite simple: the Deputy Premier is running to be the next leader of the Yukon Party and the minister responsible for the Yukon Housing Corporation clearly is not.

There is also \$10 million in the budget for construction of the hydro power line from Carmacks to Pelly. This was announced last year, but not funded. Similarly, there is \$1.5 million for the third turbine at Aishihik. That was announced with great fanfare last year, and no money was in the budget to actually do anything. This is a \$5-million project, and perhaps when the Energy, Mines and Resources minister is on his feet in his budget response, or the Finance minister, they could outline when the remainder would be allocated, because I am sure Yukoners will be interested in knowing.

Taking credit. As I mentioned in my initial comments to the media last week, some of the best part of the 2008-09 budget is the beautiful photo of Tombstone Territorial Park on the cover. There is a great picture on the cover, but unfortunately it tends to go downhill from there. It will obviously be a disappointment to a great many Yukoners. I think the minister's speechwriter knew that when he was writing and writing and writing. He covered everything, because he could not afford to leave anything out. He even resorted to highlighting a few things that have nothing to do with this particular budget to try to make up for the lack of news in this budget. I believe that's called "padding your stats". A symposium was held in February with over 80 delegates to map out next steps on establishing a Yukon research centre of excellence. That's great, but nothing to do with this budget.

There was the \$140-million investment in mining in 2007 - - great again, but not this budget. When I attended the mineral roundup with three of my colleagues earlier this year, every mining company we spoke to attributed the Yukon's improved mining scene to dramatic increases in metal prices.

And finally, there is the issuance of oil and gas exploration rights in Eagle Plains and the Peel Plateau, valued at \$22 million -- again, nothing to do with this particular budget.

Reliance on Ottawa: we have heard the minister say again and again in public, earlier today in Question Period and last week, about how entitled we are to our fair share. While the Yukon Party is trying to highlight these items, there are others that they are not talking about, hoping that the public fails to notice them. One of these is this government's continued reliance on Ottawa for the lion's share of our spending.

The Premier, as I have said, responds, "Don't we deserve our share?" And the answer is yes, of course we do. Yukoners do. We deserve to have the same opportunities as all Canadians. And, yes, we recognize that that's going to cost more money per capita in Yukon. Many governments have recognized this. Many public officials have worked hard to ensure that we have sufficient monies to provide the services.

It is recognized that everything from the Whitehorse General Hospital to rural emergency care services to maintaining the highways in Yukon is going to cost more per capita than it is going to cost in Ontario or Quebec or British Columbia, where you have higher population densities.

So, that's not the issue.

This Premier, in fact, is the only one who has made all the noise about standing on our own two feet and how, under his government, we would become more self-reliant. That, of course, has not happened. In fact, the opposite has occurred. This government promised to move away from relying on Ottawa to fund our operations.

Eight or nine years ago, we generated 15 percent or 16 percent of our own revenues. Under the Yukon Party government, that number is down to only barely 11 percent -- I think 11.2 percent in the current budget documents.

We are more reliant than ever on the Government of Canada to fund our much-needed services. The pie is bigger but, under this government, our slice -- the slice that we are self-funding -- is actually smaller than it was under previous governments, not larger. We're moving in the wrong direction.

This year, the transfer from Canada is up more than \$10 million, and that is on top of a \$12-million increase the year before. But the amount that is coming from within Yukon has stayed largely the same over the last two or three years. So much for building self-reliance.

Now, Mr. Speaker, I want to spend some time talking about some things we like. It would be nearly impossible to spend \$900 million without doing many good things on behalf of Yukoners, and I want to recognize some of those items here this afternoon.

We support the new licensed practical nurse program at Yukon College. It's something we've been asking for over a number of years. We've advocated for it and we've promised it in election platforms. We think it's a good idea, and we appreciate the fact that the government is doing it.

It's also good to see the Government of Canada and the Government of Yukon finally moving ahead big time on Hamilton Boulevard. I know that the people who live in my riding and in the Member for Whitehorse West's riding rely very

heavily, obviously, on Hamilton Boulevard as the way to get to work and home again. We know there is increasing traffic congestion every year, as the density of people living in this area increases. We know that there is no viable second way out -- just an emergency way out that needs to literally be plowed to use it, if it were to occur in winter.

So, this is a project that we support, and indeed is one I've advocated for since the first month or two I was in this Assembly in 2005. I'm appreciative that the Minister of Community Services has secured the money through MRIF to move ahead.

We also support the new infrastructure agreement announced last week that, through combining the building Canada fund and \$25 million per year in based funding, will provide to each province and territory an allocation of \$182.9 million, which will be available through to 2014 to help to address more infrastructure priorities. An additional \$60 million will flow to Yukon communities through the extension of the gas tax fund agreement from 2010 to 2014, bringing the total infrastructure funding close to \$243 million under the agreement.

The gas tax arrangement was of course started by the government of Paul Martin, the former federal Liberal government, and at the time was opposed by the Conservative government of the day. But now they have grabbed on to it and followed up on the Liberals' suggestion to make it permanent, and we support that decision. Under these agreements, governments will work together to address infrastructure priorities such as water, waste water, green energy, regional and community airports and safe roads. I do hope that the Premier bothers to ask municipalities and First Nation governments what they want before he starts spending. We do not want a repeat of last year's eco-fund where the Premier apparently sat in office one day and decided to spend all \$5 million on the third wheel at Aishihik.

This is an agreement that every jurisdiction in Canada is a part of. The Premier likes to boast about how he brings back money from Ottawa. He does, as does every other Premier under this agreement. This is the same deal that every jurisdiction is receiving. Unfortunately, as I've said, Yukon has become ever more reliant on money from Ottawa under this Premier's watch. I should have more to say about that later.

"Mr. Speaker, \$6 million is being provided in this budget to construct an addition to the Whitehorse terminal building in order to accommodate federal Customs security requirements and to provide an in-transit lounge for international flights." Public waiting in commercial areas will also be increased. Mr. Speaker, and for the benefit of *Hansard*, I was quoting from last year's 2007 budget speech. The money is back this year, and it is being spent. This is also a good initiative and one we can support.

There is \$418,000 for family support services to children with disabilities. This is a good investment and we are pleased to see this funding, Mr. Speaker.

There is \$1.25 million for upgrading municipal infrastructure as a result of the community tour. No doubt this will help communities.

There is \$175,000 to develop Forty Mile as a major cultural heritage attraction in conjunction with Vuntut Gwitchin.

There is \$329,000 to implement the new placer regime.

Development of a new forest resources act. Perhaps people will remember "forestry will thrive in '05". We all remember that promise from the minister. This legislation has been in the works since 2003. We are glad we are finally getting to it. What is three years among friends?

There is \$180,000 to upgrade the Carcross Visitor Information Centre. I am sure that will be appreciated.

There is \$3 million in Shakwak projects for construction of the Slims River bridge and \$11 million for reconstruction of the Duke River bridge.

Some Hon. Member: (Inaudible)

Mr. Mitchell: Thanks to Uncle Sam. We like to criticize Uncle Sam when it is politically expedient and thank him when he passes the money.

There is \$685,000 to support capacity development through the governance liaison and capacity development branch. That's good. We were suggesting in the last campaign that something like that needs to happen. I look forward to hearing more details as to how that is going to be done, which First Nations will be assisted and how the program is operating.

We will be matching up to \$50,000 of Yukon-raised donations for the Cycle to Walk Society. This funding is in addition to \$15,000 previously provided by the Department of Health and Social Services as a direct contribution. I know that Ramesh Ferris and Cycle to Walk is very appreciative of these investments by the Yukon government. As a Rotarian, I would like to add my voice in thanking the government in finding these monies. It is a very worthwhile cause, and it happens to be one that is dear to my heart.

So, we've talked about the fact that, in \$900 million, there will be some good programs and good spending, and I just wanted to point out some of it.

What is not in the budget? As I've said, we can support many things in this budget. Unfortunately, there are some glaring omissions. Despite the large amount of money coming from Ottawa, this budget fails to address several priority areas on behalf of Yukoners. There is, according to Finance officials, no new funding to implement the Minister of Health and Social Services' commitment to increase social assistance as promised last fall.

Let me remind this House: on November 28, 2007, Health and Social Services minister, Brad Cathers, announced proposed changes to social assistance rates and program structures resulting from the most comprehensive review of social assistance conducted since the program's inception. It would appear the funding may have gone to the minister's leadership rival two seats down, because it's not in the Health and Social Services department's budget. We asked the officials; they said it's not there. Again, we're told by the government it's coming soon.

Well, soon doesn't pay the bills for struggling families. It should have been in this budget. The Premier has stated the consultations with First Nations have been concluded. He said that publicly just a few days ago -- so, where is the money? Show us the money. There is no funding to replace the downtown children's receiving home. We know of the mould and the

deterioration, the health risks that concerned employees and concerned all Yukoners on behalf of the children; we don't see money to replace it. The minister committed, during the last campaign, to reopening the Thomson Centre. Where is it? It won't happen this year, because the budget has no money to make it happen. We asked officials, "Is there no money for this?" They said, "No, there is not." Perhaps the minister can explain what the long-term plan is now. Apparently it's not to reopen it this year.

Now, a similar problem exists at Copper Ridge Place, where the minister finally opened 12 new beds in November of last year, only to turn around and move patients back out in February because there were no nurses to look after the patients. When will those beds be open permanently, and is there money to make that happen? What are the plans beyond that?

Mr. Speaker, we have an aging population. Just looking on my own block, I know that many, many Yukoners are bringing their parents to Yukon -- either bringing back parents who used to live in Yukon or bringing their aging parents here from Ontario, Alberta, British Columbia or Manitoba. They're bringing them here to live with them and those people become Yukoners. As much as it's a good thing that they're going to live with family, they are eventually going to need extended care, and 12 beds that it took two years to open are not going to be sufficient.

Now, I said this a year ago and I said it two years ago that, for the Health and Social Services minister, this is like an iceberg -- 90 percent of it is under the surface. We don't see it in current applicants, but we will see it. We'll see it three, five and 10 years from now. We've already seen how much planning and how long it takes for capital programs to be built and completed under this government's watch. So I urge this government to plan beyond the 12 beds at Copper Ridge Place.

Another issue that's becoming more and more problematic -- I know I hear about it frequently from constituents, and I suspect that every member of this Assembly hears of these problems from time to time -- is long patient wait times for specialist referrals and for orthopaedic surgeries done Outside. What's being done to reduce those patient wait times? If you read the minister's speech, the answer is, "Nothing." But, surely, we need to do something.

People are waiting too long here. When they get health care in this territory, it's excellent health care. The providers are first-rate. They're dedicated. They go above and beyond. But too many Yukoners are on long waiting lists for what are deemed to be non-critical procedures and surgeries. I think the wait time can be up to a year for referrals to hearing specialists to have hearing tests done.

It's not critical, unless you happen to be crossing the street and you don't hear traffic coming, when it could become critical. But having these long wait times certainly impedes people's ability to work and to enjoy life.

I have several constituents who have come to me and said to me, "What can be done? I have been on a wait-list for many months to have a knee replacement or a hip replacement." Again, I can write to the Health and Social Services minister, and I do write to the Health and Social Services minister on

behalf of patients, pointing out their problems, as these are the things that we do as colleagues in this Assembly; we do them privately, in terms of letters. The Health and Social Services minister writes back, saying that the government is endeavouring to do everything possible. But for the individuals who are waiting when it is deemed non-critical, when they are limping along and struggling to bring their groceries home, to clear their driveways and to enjoy their life, it is critical to them, even though it is not critical in the medical sense. I would like to see more emphasis on this because, as the statistics prove, it is becoming an aging population and we're going to run into this thing more and more frequently.

This year's contribution to the Yukon Hospital Corporation is virtually stagnant. I find it hard to believe that the provision of health care to an aging population will not increase this year over last year. I think that the minister is fooling himself if he thinks that this allotment will be enough. It just doesn't make any sense, based on the demographics our Bureau of Statistics continues to provide us.

There is no funding to specifically implement the education reform report. There is no mention of how the government intends to proceed with the governance aspect of that report either. Instead, what we have seen is a commitment to the development of a multi-year implementation strategy entitled, "New Horizons: Honouring our Commitment to the Future". We're not going to implement the report; we're going to develop a plan to implement the report and, just for good measure, we're not putting any new money toward it.

It remains to be seen how this report is being implemented. Will it be cherry-picked? Will the minister responsible implement portions of it? Will it be implemented in whole after consultation with the chiefs education advisory committee? We're not certain what is happening but we don't see the funding to specifically implement the report. There were a lot of good things in the report and we hope it is not going to die on a bookshelf.

This is right in line with the rest of the department. Funding in the public schools branch is flat O&M funding. I see the minister is taking notes and that is good, but it is basically flat, and capital spending in the Education department is down 29 percent over last year and down more than 50 percent in the last two years.

Before the minister makes too many notes, I do realize that some of that is due to the fact that the Carmacks school project is winding up, so I understand that, but it hasn't been picked up anywhere else, whether it be in Copper Ridge, or in Porter Creek, anticipating the future construction in the lower bench or the future development of Takhini North and other areas -- the new mobile home park that is being envisioned for that area. We don't know about the future replacement for F.H. Collins. We've heard the Hold Fast study, which indicated that it is an aging facility that either needs to be upgraded and heavily renovated, or replaced -- but we don't see any budgetary provision toward doing this and we are worried that these projects will just be studied and studied and never built by this government.

Speaking of projects like that, there is \$5.6 million for the replacement of the Whitehorse Correctional Centre. There is finally some real money, because we've been hearing about it for five years. This is the new facility that is basically the same size and is being built on the same spot, on the same pad, as the building that was started six years ago under the previous Liberal government -- but we know it's different, really different: delayed six years and probably twice as expensive, but likely not all that different at all, Mr. Speaker. We'll have to see when the plans are finally revealed whether this is overwhelmingly different and did it need to take six years' delay?

The Premier frequently says that he doesn't just want to build a warehouse. He says the Liberals wanted to build a warehouse, which is far from the truth. In fact, at the time, the opposition parties criticized the government of the day for building a Cadillac facility -- they said it was too luxurious. But I have to ask, how many people, how many Yukoners, have been warehoused over the last six years because of a political decision that was made to stall this project?

As I've mentioned, there is no funding to build a new health facility in Dawson City. This year, there isn't even any money for planning such a facility. I guess this project has now officially been abandoned. The MLA for Klondike will have some explaining to do to his constituents on why he has let this project slip away, but I guess he doesn't have as much influence as the Deputy Premier, because there is funding going to Watson Lake; there is funding going to the Premier's riding, but there is no funding to Dawson City for that facility.

As my colleague from Kluane points out, perhaps the funding has all been chewed up in the overruns we've seen in almost every capital project that this government has undertaken over the last several years.

There is \$500,000 for the Dawson sewage treatment facility. Now, where it will be built remains a mystery, but I do hope the government listens carefully to the wishes and the will of the people of Dawson and ensures that what is finally built serves their purposes and leaves them with a feeling of comfort rather than concern that it's not creating future health problems.

For the second year in a row, as the Member for Vuntut Gwitchin pointed out during Question Period today, the government continues to spend more money on furniture in the Department of Environment than on a climate change action plan. This year we're spending only \$130,000 on a new plan. The minister is once again spending more on office furniture -- \$227,000 -- than on the climate change action plan. It demonstrates how low on the priority list this topic continues to be, because dollars talk; they speak louder than words; it's where you put the funding in a budget that says what your priorities are. Apparently it's a pretty low priority for this government. The rhetoric we're hearing is on par with what other jurisdictions in Canada are doing; however, it's not being matched by action; it's not being matched by dollars that lead to activity. We remain the last jurisdiction in Canada to adopt a climate change action plan, and we will for some time, apparently, under this government.

It's clear that we've been following the lead of the federal Conservatives on this. For years, both locally and at the federal

level, Conservatives refuse to accept the Kyoto Accord. We all remember the former Leader of the Yukon Party standing in this House and denying that climate change was caused by humankind.

Now, the current leader has grudgingly accepted that climate change is a priority for Yukoners and all of Canada; however, he has been painfully slow to react.

The rate stabilization fund -- there's no money in the budget to continue the RSF, which the government cancelled last year. This will leave people on fixed incomes, like pensioners and people on lower incomes, in a real economic bind when their power bills shoot up another 15 percent later this year. It was last May when the government announced that it was increasing Yukoners' power bills.

On July 1, 2007, Yukoners' power bills went up 15 percent. They can thank the Minister of Energy, Mines and Resources and this Yukon Party government for axing the rate stabilization fund. As if this news isn't bad enough, it gets worse.

We've established that Yukoners' power bills went up 15 percent last July 1 at the hands of this minister and this entire Cabinet. In addition, power bills -- as I've said -- will increase another 15 percent this July 1, when the government axes the entire remaining rate stabilization fund. That's a 30-percent increase in 12 months.

While we hear, "No new taxes," again and again, it sure looks like a tax to Yukoners when the average bill goes up \$350 to \$400 for Yukon families.

Some Hon. Member: (Inaudible)

Mr. Mitchell: Hands in the pocket -- exactly.

In announcing this big rate increase, the minister said, "Don't worry. Be happy. We'll apply for a rate reduction in February 2008. We'll move forward with a rate reduction for all Yukoners, when it comes to their power bill." Well, February has come and gone with no relief in sight for Yukoners, and March is almost over. So I guess the Minister of Energy, Mines and Resources was wrong.

It will be some time before the government even makes an application to the Yukon Utilities Board for a rate reduction, and the board may not even approve it.

The Yukon Party government has unilaterally made a political decision to dismantle the rate stabilization fund. It will increase Yukoners' power bills by 30 percent. It is a classic case of government hands in your pockets. That is \$350 to \$400 on Yukoners' power bills each and every year, but it does not have to be this way.

There is a practical solution to avoid punishing Yukon ratepayers. During the interim period, the government could continue the rate stabilization program in full until we see what the board decides.

A quick look at the budget reveals that the Yukon Party government has decided not to do that. Ratepayers are on their own with a 30 percent power bill increase, thanks to this government. And I don't know what other members are hearing, but I know I have been hearing from constituents, "What's going on? My bills are going up."

Despite the Premier's bad investments, the Yukon Party is still sitting on a surplus projected to be \$108 million at year-end, but not one penny of it is going toward continuing the rate stabilization fund, past the remaining portion after this July 1.

It is disappointing that the government made a conscious decision to abandon ratepayers. It is an uncaring approach.

Yukoners on fixed incomes can thank the minister for increasing their power bills by 30 percent. Imagine tomorrow. Seniors can go find \$350 to pay for higher power bills. Imagine tomorrow. Young families and people who least can afford it can go find \$350 to pay the minister's new 30-percent higher power bills.

There is all this new money from Ottawa, and nothing for these priority areas.

The list of items not in the budget is long. I have gone through several examples. It provides ample reason to not be supporting this budget.

Now, the 2008-09 budget, Mr. Speaker, also sees a 14-percent reduction in capital spending.

Over the last three budgets, capital spending has basically stagnated, while O&M has skyrocketed. O&M has gone from \$600 million to \$650 million to today's \$700-million level.

At the same time, capital has gone from \$191 million to \$212 million and then back down again to \$202 million this year.

So much for the old Yukon Party mantra, "O&M bad, capital good".

The Yukon Party was traditionally a big supporter of using capital budgets to create jobs. This time around, net capital spending has been cut by more than \$18.5 million.

Mr. Speaker there is one more thing not even mentioned in this budget, and that is the Premier's misguided investing adventure. This is the topic that is perhaps most on the minds of Yukoners and the Premier decides not to even mention it. Does he think if he doesn't talk about it -- like the dotting old relative up in the attic -- that people might forget about it? Well, I don't think so, because this old relative is making a lot of noise.

When the asset-backed commercial paper meltdown happened last August, companies across Canada issued news releases to update investors about how much exposure they had to this problem. What did our government do to update Yukoner shareholders, the taxpayer, last August when they knew these investments were frozen? Initially, nothing. There was no mention of it at all. Not a word -- not a peep. \$36.5 million was frozen and the Premier said nothing. Surely his Finance officials were telling him, "Mr. Premier, we have a problem -- we have a little 'oops' - we have a problem". What the minister did was a sort of "don't ask, don't tell" approach -- he didn't speak of it. It wasn't until the public accounts were released last fall in October that the public was even informed, and even then it was buried on page 81 -- so much for open and accountable government. Public companies issue news releases in August and in September, and the Premier buries it on page 81 of a report made public in the middle of October.

In November of 2007, I wrote to the Auditor General asking her to investigate the Premier's decision on behalf of Yukoners to invest \$36.5 million of Yukoners' tax dollars in the

asset-backed commercial paper market. She responded that she would and we have the results in front of us.

The question I asked was very simple: did the investments made by the Premier follow the *Financial Administration Act*? It is the law that governs how taxpayers' money is looked after. The Auditor General, Mr. Speaker, has concluded that the investments, in fact, did violate the *Financial Administration Act*. I believe that the Minister of Finance is responsible for that; he has to be. Someone has to be responsible. It wasn't *deus ex machina*, an act of God -- someone signed off and someone is responsible.

The Premier is fond of saying that the buck stops at his desk. Well, the buck landed on his desk -- or \$36.5 million of them did -- and it is time for him to demonstrate some accountability. The Minister of Finance holds a position of great power and with it comes great responsibility. He has let Yukoners down and he has a duty to do the honourable thing. He should have resigned as Minister of Finance. Instead, he clouds the issue. He says that I should resign. For what? For asking the question? I think not. The fact that he will not even acknowledge the mistakes that he has made just makes it worse, according to the many Yukoners who have raised this issue with me and have raised it with all MLAs.

Let's go back to some of the things that government said about these investments last fall, Mr. Speaker. "Something that we on this side of the House will never do is politicize the good work of the Auditor General of Canada. In fact, Mr. Speaker, the government very much welcomes the assistance that the Auditor General can provide in further reviewing these particular investments." That was the Hon. Deputy Premier, *Hansard*, November 21, 2007. "I don't think that this side of the House is taking issue with the Auditor General of Canada and her good work. In fact, we fully support her work as we have in the past." Again, that was the Hon. Deputy Premier, *Hansard*, December 3, 2007. "We certainly look forward to the outcome from the Auditor General of Canada. I have said on the record in this Legislature that we look forward to the outcome, and we accept any findings and recommendations that are brought forward." Hon. Deputy Premier, *Hansard*, November 26, 2007.

"Similarly, we look forward to hearing the outcome of the Auditor General's review as well. We don't take any issue with respect to the reviews or the outcome." -- Hon. Deputy Premier, *Hansard*, December 3, 2007. When the Auditor General investigated the minister's \$36.5-million adventure, she found the government didn't follow the law when it made the investment. Suddenly, the auditor was no longer the government's good, dear friend.

The Premier's first response was to publicly criticize the Auditor General and dismiss her findings as "just her opinion." I think he was taking issue with the work of the Auditor General. He's also at odds with his new Deputy Premier, according to her statements last fall. It's obvious that the Premier and the new Deputy Premier have a difference of opinion on this issue that needs to be resolved.

Last fall, the Deputy Premier insisted that the Auditor General was fully aware of the investments and approved of them. Well, that's not quite the case, as the Auditor General

explained it when she was here -- made aware of the investments after the fact by this government, yes -- it was disclosed in the public accounts. Approved of them? Not so. We heard many a statement, reading the letter of transmittal on the front of various public accounts, indicating and implying that that was approval -- not the case. The Auditor General told us when she was here that these investments were not in compliance. She indicated that there would have to be notes in the future to address the fact that they were not in compliance.

Now, let's look at some of the words of the Hon. Premier on this matter. "The government has not lost one penny." -- Hon. Premier, *Hansard*, November 6, 2007. "Secondly, we're not talking about a loss here at all." -- Hon. Premier, November 7, 2007, in *Hansard*. "The facts are: on December 14 we will know the information on the maturity date going forward. The facts are: the Yukon government has not lost one nickel." -- Hon. Premier, November 7, 2007.

The facts are, Mr. Speaker, that all we learned on December 14 was about the next delay, the next deferral, the next missed deadline.

"There is no loss on the investment." The Hon. Deputy Premier gave that answer on November 13, 2007. In fact, there has been a loss. We have not received a penny in interest since these investments went into default at the end of their supposed maturity in early September. We've heard promises that we will eventually receive the interest, but I don't think any interest cheques have been mailed to the Government of Yukon. I don't think any interest has been received by the Government of Yukon to show on the books. In fact, I'm certain of it, because Finance officials have told us they haven't received any interest on these investments since they were frozen. That's a loss of some \$100,000 or \$120,000 a month. It doesn't take very long for those \$100,000-plus losses to add up to a million dollars just in interest.

What do we have? We have promises from the same people who can't pay our money back, or wouldn't pay our money back, or couldn't pay our money back after 30 days, that somehow, magically, the junk bonds, as they're repackaged and re-named, with the same underlying assets, with the wave of a magic wand, will be turned into something better.

Well, I'm sorry, but the assets are the same. Those are the assets that many investment houses are saying are worth as much as 40 percent less today than they were when those investments were made. The Premier incorrectly said that we had claimed that the money was lost; that it was gone. What we said is that the losses are on the face value of those investments now versus when they were made. If we were to try to sell them -- if we could find a buyer -- apparently, the investment market thinks there would be some 40-percent loss in selling them, because the value of the underlying assets has fallen that far.

What else did the Premier and the Deputy Premier say? Well, first of all, I want to point out that the best case scenario, according to Mr. Purdy Crawford who is putting this together, is that we will get our money back in some five to eight years. Well, if we do, it will be at significantly less interest than what it was originally invested for. Not even the committee restruc-

turing the money is that confident. "A plan provides the opportunity for noteholders to possibly recover the full face value of their asset-backed commercial paper". That's in the Ernst & Young report on the plan, March 17, 2008 -- possibly recover the full value some eight or nine years out. It is possible, of course, that the new deal will not even be approved -- it needs to be voted on, on April 25.

Last fall, the Yukon Party government insisted that the investment was guaranteed by the bank. They didn't just start talking then about liquidity agreements not being honoured. They said "First, the investment had the highest rating available. Second, it is backed by the banks ..." That was the Hon. Premier, *Hansard*, November 7, 2007. I don't see any mention in that statement of bad banks not honouring liquidity agreements, of weasel words -- no, "backed by the banks".

"The litmus test was met. This investment was backed by the banks ..." Hon. Premier, November 7, 2007.

"... the asset-backed commercial paper is backed by the banks." -- Hon. Deputy Premier, *Hansard*, November 19, 2007.

What did the Auditor General say in her report? This is what she said, "When we reviewed the information memorandum for each of the two trusts, we noted that, while there was no reference to liquidity agreements, each included the following clause that stipulated there is no guarantee of payments from the parties. It noted neither the administrative agent, the trustee, the note" -- meaning the commercial paper -- "trustee, any beneficiary of the trust, any originator nor any of the respective affiliates or related parties will guarantee or otherwise assure payment of notes issued by the trust, nor will any such persons compensate the trust or holders of notes if the trust realizes any losses on its portfolios of asset interests."

That is from the Auditor General's report of February 7. It sounds pretty clear.

It doesn't sound like you need a second opinion, a second legal opinion. No guarantee, contrary to what the Premier and the Deputy Premier told Yukoners repeatedly last fall. The Premier and the deputy insisted last fall that they were following the *Financial Administration Act*. "The decision was made, not by Cabinet -- not by Cabinet at all -- but by policy and the act itself. The decision to invest was made. The government and I, as Minister of Finance, fully support that decision." Hon. Premier, *Hansard*, November 8, 2007.

It was made not by Cabinet; it was made not by officials, because the Premier has told us that he has every confidence in officials. Apparently the *Financial Administration Act* itself woke up one sunny morning and said, "I'm in a mood to invest in junk bonds and I think that's what I'll do" -- because somebody somewhere needed to sign off on this.

I see that there are members opposite who think that's funny, but apparently it just happened all by its lonesome. "Mr. Speaker, what we have done and what we will continue to do as the Government of Yukon is to abide by the letter of the law and that is the *Financial Administration Act* that has been in place for many, many years..." Hon. Deputy Premier, *Hansard*, November 13, 2007. "Our government has been adhering to the *Financial Administration Act*." Deputy Premier, *Hansard*, December 6, 2007.

The letter of the law? Not even the spirit of it. What did the Auditor General say about that? "Yukon's *Financial Administration Act* proscribes the investments that the Government of Yukon can make. We found that the government's investment in summer of 2007, in two asset-backed commercial paper trusts that were set up by non-banks -- total value \$36.5 million -- did not meet the requirements of the act. It is important that the Department of Finance manage the investment of public money prudently and in accordance with legislation." That's the Auditor General's report from February 7, 2008. It's pretty clear. She cites the Government of Yukon in the summer of 2007, not in 1990 or 1993 or 1996 or 1999 or 2001 -- she cites investments in the summer of 2007.

Now, I guess it wasn't that important to the Premier or Deputy Premier to manage in accordance with this legislation, or they might have paid more attention to it.

One more thing that the minister said last year was that the bonds have the highest rating -- "The fact is that this investment was of the highest rating possible. The differential in rating between a Canada treasury bill and this investment was zero. Second, it was re-confirmed as recently as November 6 that this investment was still of the highest rating."

The Hon. Premier, November 8, 2007, *Hansard*: "The asset-backed commercial paper held by the Yukon government has been given the highest rating possible by the Dominion Bond Rating Service. The ratings are R-1 (high). Furthermore, unlike other commercial paper -- and I know the member mentioned "asset-backed" earlier -- asset-backed commercial paper is secured by assets, all of which have been rated AAA -- also the highest possible rating.

Furthermore, Mr. Speaker, this AAA rating was re-confirmed on Tuesday, November 6, 2007. As well, the banks have provided guarantees to the investors." This was stated by the Hon. Premier, *Hansard*, November 8, 2007.

Well, Mr. Speaker, since we're quoting Dominion Bond Rating Service, what are those same bonds rated at today by DBRS? They're rated "D" -- junk bond status. It's the lowest possible rating you can get. "D" -- bankrupt, insolvent.

I don't know if any of the members opposite remember coming home with a report card with a D on it, but I know that if I had come home with a D on it, there would be some form of heck to pay. But that's the rating of these bonds today, these AAA-rated bonds -- D.

Now, the Premier is desperate to shift the blame for this to someone else. In February, he told the *Whitehorse Star* that the banks were to blame, that they were untrustworthy. He repeated it today -- everything was fine until the banks bailed on their liquidity agreements.

Mr. Speaker, if the Premier feels so strongly about that, he could sue them for breach of contract. Has the minister done that? No, he has not.

Instead, Mr. Speaker, he has signed on to the Montreal Accord. One of the conditions of signing on is giving up your right to sue the banks involved -- these very untrustworthy banks that he refers to. Now the minister is trying to have it both ways. On the one hand he's talking tough about how un-

trustworthy the banks are and on the other hand he has already signed a deal saying that he won't sue them.

It is obvious, Mr. Speaker, that the attacks on the bank are just another attempt to deflect from the minister's failure to adequately protect Yukoners' money. The minister was minding the store and now money is missing and, of course, this must be somebody else's fault.

Now, last week, the Premier was trying to deny that we were even signed on to the Montreal Accord. Well, we are. The Deputy Premier told us that quite clearly last fall in this House. "Mr. Speaker, I just want to be very, very clear for the member opposite, and that is, in fact, the Government of Yukon is a signatory to the Montreal Accord. In fact, Mr. Speaker, 82 per cent of all investments in this asset-backed commercial paper are signatories to the Montreal Accord." That was the Hon. Deputy Premier, in *Hansard*, December 6, 2007.

But the minister is trying to confuse people, Mr. Speaker. He is trying to confuse people by saying, "Oh, we haven't signed the restructuring deal yet." Well, of course we haven't. It is not there to be signed. But that is not what took away our right to sue, Mr. Speaker. It was signing on to the Montreal Accord last fall that had a no-sue clause built into it. We gave up our right to sue. Once again, the Premier and his new deputy can't seem to keep their differing stories straight. If the minister really thinks that the banks are breaking a deal then he should sue them, Mr. Deputy Speaker. Instead, he signed away our right to sue. The minister has also tried to blame previous governments for his woes.

The Auditor General in her investigation cited one government -- this Yukon Party government, Mr. Speaker -- for not following the law. She didn't talk about former governments; she cited this government. Although, in fairness, she did cite this government going back three years.

The minister put out a news release earlier this year saying he would stop buying ABCPs. They are going to stop buying them. They're not going to do that any more. There will be no more bad junk bonds.

Under the restructuring of these investments that he is talking about occurring, that he may yet agree to, he will have agreed to take on more ABCP investments, because that is what they still are -- that is the underlying items in these new MAV1s and MAV2s and all these other little acronyms that everybody likes to quote. But you know what? It is the same old stuff. No wonder no one believes anything this minister is saying about this issue when it comes to the investments. Everything he has said has been contradicted by the Auditor General, the highest financial authority in the country. Yukoners will take the Auditor General's word any day, seven days out of seven, over this minister's.

Mr. Deputy Speaker, the new bonds that the premier has agreed to take on as a part of this restructuring are problematic for a couple of reasons. They contradict the promise the premier made not to buy any more ABCPs, as I just mentioned, because that's the underlying assets, and more importantly, they probably don't conform to the *Financial Administration Act* -- "securities that are obligations of or guaranteed by Canada or a province." Well, we know they won't be that. "...fixed depos-

its, notes, certificates and other short term paper of or guaranteed by a bank including swapped deposit transactions in currency of the United States of America."

Well, Finance officials have told us -- and these were the words of the deputy minister during the briefing -- they are definitely not guaranteed by the banks -- commercial paper issued by a company incorporated under the laws of Canada or a province, the securities of which are rated at the highest rate in category by at least two recognized security rating institutions. So far only DBRS has indicated they will rate these, and the Deputy Minister of Finance, being very candid in the briefing, told us they had no idea whether anybody else would rate them. So far, they won't be compliant, so I look forward to reading the new amendments to the *Financial Administration Act* to see what kind of verbal dance is being done to dance around the fact that the new bonds won't comply any more than the old bonds. There must be a big asterisk that says "except for the non-repaid, in default, long-ago expired \$36.5 million that we couldn't get before." That will be the new exception in the new, tough rules that we are going to see.

I would like to hear unequivocally from the Premier in his response later this week whether these new investments comply with the act. I guess we are going to rewrite legislation to somehow make them comply. I don't believe that they would comply with the current act, and I would like to hear how we intend to deal with it. Are we going to ignore the law or change the law? What are the options?

You know, Mr. Speaker, it's a mess going forward when a third of our surplus is net financial resources, not the surplus that consists of all the buildings that were purchased and built long before this Premier sat in this House. I don't think we are going to be selling this building or Elijah Smith Elementary or Porter Creek Secondary, so we are not going to be able to actually use that money.

At the end of this fiscal year, according to the Premier's projections, a third will be tied up in these assets. We are not going to have a fire sale on them, the Premier said today, so they will be tied up until eight years from now, or nine years from now, or whatever people sign on to.

It's a real mess. It'll certainly mean the projects will be delayed when money is not available. But that's what can happen when a minister fails to do his job. He has told us today that he first learned of it, kind of, you know, like everybody else, in the news. He woke up one day and learned that bankers, in a dastardly fashion, were not living up to liquidity agreements, not providing guarantees that they never had provided, according to the Auditor General.

You know, Mr. Speaker, ignorance of the law is no excuse.

Now, the minister likes to talk about the Public Accounts Committee. Well, there are several unanswered questions about these investments, not the least of which is, are the new bonds legal? PAC would have been the ideal place to get those answers, the ideal place to have found out exactly how this transpired. What is the relationship between a Minister of Finance and his officials? What level of supervision does he provide, so that he does not wake up one day to hear on the radio or read in the news that his money has been frozen?

That would have been the Public Accounts Committee, because we can't question officials in here. We know that when we question officials under oath, they are very candid with us. They want to be candid; they don't want to wear this. That is not going to happen. We know that the minister doesn't answer questions; he throws questions back. He makes accusations, but he doesn't answer questions.

Unfortunately, the Yukon Party decided to block that hearing from happening -- probably the most important hearing that this committee has been faced with in the recent years of its existence. I suspect it was more important than holding public hearings into a report that acknowledges the good work done on the Canada Games. This is actually just about the first time that something has shown up in the public accounts that requires the Public Accounts Committee to investigate. What do they do? They put their heads down. Yes. As the member opposite says, "They quit being willing to look at the tough stuff."

Some Hon. Member: (Inaudible)

Mr. Mitchell: Yes, I did announce that I was resigning on March 6 as the chair of Public Accounts Committee. That's right, Mr. Deputy Speaker.

You know, I was appointed the chair shortly after the last election, and I presided over two hearings -- hearings into the Department of Highways and Public Works and the Yukon's involvement in the Canada Winter Games. In those hearings, particularly the first one, a lot of information came out; there were a lot of lessons on how not to repeat the same mistakes. They were certainly better lessons than the Premier saying, "We fixed it. We changed the policy; it won't ever happen again." What about the fact that the last policy wasn't followed? Why does this not inspire us with confidence when this minister says that it won't happen again?

I do believe that the committee has an important role to play in ensuring that taxpayers' dollars are spent properly and ensuring that mistakes are not repeated. Last fall I wrote the Auditor General asking her to investigate the Yukon Party's government investments in asset-backed commercial paper. She agreed and shortly thereafter I received letters from two members of Public Accounts Committee asking the committee to look into these investments as well. Those letters were tabled by those members in this Legislative Assembly. Then the members opposite were terribly upset when I referred to letters that were previously tabled. They were tabled by the members, not by me. I had every right to read from *Hansard*. Those items were in *Hansard*.

I contacted all members and was informed by the four government members, via the deputy chair, that they were not prepared to meet until after the end of the fall sitting, that they didn't have time to meet; they were too busy to meet until the sitting was over, and they'd be pleased to meet then. Once the Auditor General indicated she would undertake a special audit, I was then informed that the government members didn't wish to meet until after the report was delivered. Well, that's logical. You want the report in hand. Let's remember that when those two members of the committee wrote their letters, I hadn't yet received a response from the Auditor General saying she would

look into the matter, but I agreed; we should have the report in hand before we meet to hold public hearings into the report.

Those were the first signs that the government was going to play politics, and not allow the committee to do its work independently. After we received the report on February 7, I again asked for all the members to meet, and we had a delay of another month, from February 7 to March 5. That was the first date that the four government members could be available on the same day. It was their request that we delay it.

There was discussion about the Auditor General's report and a motion was made by a member to set a date for a hearing. Well, Mr. Speaker, that vote was four to two, so there was no hearing. There was no opportunity to get all the facts out in public in a truly impartial way -- without the politics that go back and forth in this Assembly, but in a respectful way with officials testifying to their knowledge.

The decision made by a majority of PAC members -- a majority of whom are from the governing party -- to block a public hearing on the Auditor General's report of asset-backed commercial paper clearly demonstrated to me that this committee was unable to perform its oversight function free from government interference. There are many unanswered questions, as the Member for Whitehorse Centre said earlier today, that the public is demanding answers to, and we may now never get those answers. The current government doesn't want the scrutiny that would come with a hearing that would allow PAC members to question officials, and they acted in a partisan way that completely undermines the independence of the committee.

Some Hon. Member: (Inaudible)

Mr. Mitchell: What are they hiding? What would the officials say, if given the opportunity to explain where the responsibility lies? The Public Accounts Committee must be free to examine issues that are in the public interest. If that mandate is restricted, as it has been in this case by the government's unwillingness to allow full public debate, then the committee becomes a paper tiger -- it has no real effect.

I have no intention of remaining part of a committee that's been limited to discussing only the reports that the government wants to look at. That's dividing on partisan lines.

Some Hon. Member: (Inaudible)

Mr. Mitchell: Fully accountable -- not in the Public Accounts Committee.

The Leader of the Third Party has criticized my decision, and he's free to do so. He believes I should stay on. My response to him is a question: stay on and do what? Review only the reports the government wants to review? Take a pass on reports that might make the government look bad? I'll leave that to others. I'm not going to rubber-stamp these things.

If I thought the committee would be free of political direction from upstairs, I'd be pleased to continue to serve. If the government members change their mind and agree to allow the committee to examine the Auditor General's report on asset-backed commercial paper, I'd stay on. Until that happens, I can't in good conscience serve on a committee that pretends to call itself the Public Accounts Committee, but won't look into the public accounts.

When the Auditor General isn't investigating the Premier's investment schemes that have gone wrong, she has been busy looking into capital projects, such as the mess that the government has created in Watson Lake with the new -- well, it's not so new any more, but still unopened -- multi-level health centre.

The 2005-06 budget identified a total of \$10.4 million in construction money for two facilities -- one in Dawson and one in Watson Lake. In Watson Lake, that number has now grown to \$11.7 million by our calculations. The cost has more than doubled from the original budget. It really demonstrates what a poor fiscal manager this Yukon Party government has been.

This project was badly managed from the start. Repeated use of sole-sourced contracts has only driven the costs higher. There were political decisions made by former Cabinet members. Under the leadership of the MLA for Lake Laberge, the Health and Social Services minister, we've seen the costs of this project balloon out of control. Perhaps that explains why he has fallen out of favour in the leadership race for the Yukon Party.

His performance on this issue and of course his handling of the ambulance crisis are examples of nothing to be proud of. That one was such a mess; it was actually transferred to another minister.

Some Hon. Member: (Inaudible)

Mr. Mitchell: Dizzy doesn't just explain a bit of it.

As I mentioned earlier, the facility in Dawson has been dropped completely. There is no money identified at all for this project. That has to be a disappointment for the MLA for Klondike and certainly there must be a lot of explaining to do in Dawson. Why is the Premier's riding getting a health centre and Dawson not getting one, when they were both announced in the same sentence in 2005-06?

Some Hon. Member: (Inaudible)

Mr. Mitchell: And the bridge, yes.

This is a question we all know the answer to. Now, perhaps the new Member for Klondike doesn't have the clout of his predecessor, but I know one thing: if he had a government loan, he'd pay it back on time, so we'll take the good with the bad. We'll take the good with the bad -- \$11.7 million spent.

Some Hon. Member: (Inaudible)

Mr. Mitchell: Bridge funding is frozen; bridge funding is absent -- it's beyond frozen. Well, the bridge is still an ice bridge, so it is technically frozen.

Now, there is \$200,000 in the budget for the long-term development of Yukon's economy with funding for economic infrastructure. There is no mention yet of what these projects are, but I'm sure that the Economic Development minister will elucidate us with his fascinating responses, perhaps referring to Lewis Carroll as his bard in doing so. The speech references the Alaska-Canada rail link pre-feasibility study and the port access strategy study. These are two initiatives mentioned but not specifically funded again. The rail study costs some \$3 million and has produced no results yet to speak of. The port study, while costing less, has produced the same results -- namely, nothing.

Neither project has any buy-in whatsoever from the private sector in terms of potential partners. The Government of Canada has also failed to come forward to defray some of the original costs. I think originally that was being blamed on a Liberal government and now we can blame it on a Conservative government, but we haven't seen the federal government defray these costs. This is something that I would hope the Premier would be able to get out of his federal colleagues, but he hasn't been successful yet in this regard.

Even the Premier's existing partner in this project hasn't been very enthusiastic about it. Governor Palin told Alaskan media last year that the project was not on the front burner in Alaska. This was a priority of the Premier's favourite ex-Governor, Mr. Murkowski, but the relationship and the project seem to have gone off the tracks with the new governor in place. In fact, in the recent intergovernmental accords signed earlier this month, the project wasn't even mentioned -- perhaps it is an unmentionable?

While the government was busy studying ports, the one mine that is open, Sherwood Copper, was out getting a deal in place to use the existing port in Skagway. They didn't wait for studies; they went out and cut a deal, Mr. Deputy Speaker.

You know -- First Nation relations. We have outstanding, yet, three First Nations who don't have agreements in place; they don't have final agreements and they don't have implementation plans and they aren't yet signatories, and it causes a lot of problems. When the Premier was in opposition, he had lots of criticism for the government of the day. He said that the government needs to show leadership and the government needs to get this back on track. He said that the government needs to go to Ottawa and demand that these agreements move forward and that there be action taken.

Now what does he say? Well, he says that the mandate expired and it is the feds. Well, the mandate was expiring in 2000 when the former Premier got a two-year extension to 2002. That's what this Premier needs to do -- he needs to show his effective leadership on behalf of all Yukoners because land claims don't just affect First Nations. Obviously, the greatest impact is on First Nations, but they affect all Yukoners. We hear of all sorts of projects and potential economic development, right up to and including the long-delayed oft-referenced Alaska Highway natural gas pipeline, where we hear concerns expressed by First Nations who have no agreements in place.

The Premier, responsible for this portfolio, needs to get up and go to work and spend the time working with his colleagues in Ottawa to get this thing back on track. On behalf of First Nations, on behalf of Yukoners, that's what he needs to do.

Mr. Speaker, I have spent some time here today reviewing many aspects, certainly not all, of the \$899-million budget that we have before us today. As noted, there are indeed many worthwhile programs in this budget, as there are in any budget. Unfortunately there are many areas that are sorely lacking, like seriously making progress on assisting Yukoners to address climate change; like assisting people who are struggling to make ends meet while living on social assistance, living on a promise, but not on a reality; like moving ahead to finally build

a new Whitehorse Correctional Centre, rather than letting funds lapse, as has happened in the past.

This budget would have to undergo some significant changes for the Liberal caucus to support it; however, we are open to doing so if the minister could find a way to address some of the concerns that we have brought forward today. He knows my number if he wants to meet to discuss some possible amendments. I'm not difficult to find -- it's just one flight of stairs and I will be happy to walk up the stairs to his office if he finds it too difficult to come down them. The choice is really up to him. Let's see if he can work with us to improve the budget. Let's see if his boasts to work with the opposition are backed up by real action -- by real commitment, not just words.

Thank you, Mr. Speaker.

Hon. Mr. Kenyon: It gives me great pleasure today to speak in response to the budget speech, and to reflect on not only the budget but some of the comments put on the floor already. I am certainly glad to hear that the Member for Copperbelt is willing to come upstairs to discuss items. I certainly hope he does not bring his tape measure.

In 2002, our newly elected government reinstated the Department of Economic Development with a mandate to begin the process of looking at the big picture of the economy, specifically for the Yukon, and to establish the direction that we would like to take over the next few years.

In looking at the budget and putting this into perspective -- certainly for Porter Creek North, which I have been very honoured to continue to represent in this House -- the budget is part of a long work, a long process, by this government and by the officials of the Finance department and indeed all departments. I am also glad to hear that the Member for Copperbelt says that he hopes to get out to enjoy spring on the other side of the sitting.

Unfortunately, on this side of the House, we continue to work. We are not going to get out and be able to take the summer off and will continue to do the hard work of government to accomplish that.

His comments, early on, referred to walking on water. I know he very much enjoys my propensity to use quotations, certainly to paraphrase something that was said by former Prime Minister Lester Pearson: that this entire Cabinet and this entire government side could walk on water, but the Member of Copperbelt would be concerned that was because we could not swim.

The budget is a document that lets us look at priorities of the government and where we will be going. When we first had a chance to do this through the Department of Economic Development -- recreated from the Liberal solution of creating a stimulus to the economy by getting rid of the entire department -- when we reconstituted it, out came a document called *Pathways to Prosperity*, the Government of Yukon's vision of Yukon's economy in 2025, and we were looking out in the future to see where we were likely to go and where we wanted to go.

The *Pathways to Prosperity* document provides a framework for the private sector, for First Nations, the entire gov-

ernment, really, and citizens to engage each other in a shared view of Yukon's future and specifically the roles everybody can play in achieving that future.

We continue to work on this. I have some concern over the Member for Copperbelt's comments that rail and port studies were not discussed with Governor Palin at our last meeting. I'm here to report that I was present at the meeting and they were very extensively discussed. I guess the member must have snuck in and I didn't notice him.

The government has made the implementation of the *Pathways to Prosperity* vision a platform priority. The vision concludes -- we can go through some of the points.

(1) Economic activity will be robust from now until 2025 with employment levels steadily increasing, overall economic output increasing on a year-to-year basis, and boom-and-bust swings will largely be mitigated by sound economic and regional development efforts.

(2) Yukon's economic growth will be fuelled by an explosive demand for the territory's abundance of mineral resources, oil, gas and other resources, as well as a dramatic expansion in the tourism sector due to a surge in the desire of international travellers to experience Yukon's breathtaking wilderness and northern cultures.

(3) Employment opportunities will be abundant, not only in the mining and oil and gas sectors, but also in trades, professional and fiscal services, financial services, cultural industries, the knowledge sector and tourism.

(4) The recreation and entertainment sectors will expand with venues catering to the growing youth segment of the population.

(5) Yukon's economy will continue to diversify, fuelled by growth in economic sectors, such as film, sound, culture and knowledge-based industries, oil and gas -- including pipeline infrastructure -- forestry and value-added manufacturing.

And finally, (6) Cold climate technology and research capacity will grow, leading to development in the construction, mining and oil and gas industries, and improved production in environmental technologies will minimize impacts of mining, forestry and pipeline construction.

Yukon has a number of advantages in the world market, and it behooves us very much to utilize those advantages. We are strategically located -- we sit between Alaska and the so-called Lower 48. We have good port access to Asia. With rich resources, we are a much more attractive trading partner than Ontario, Atlantic Canada and most of the United States. Add to this the congestion of ports in Los Angeles, Seattle and other places, which makes us even more attractive.

We have a huge abundance of natural resources -- zinc, lead, copper, coal, tungsten, molybdenum, silver, gold and, after the last hour, obviously a lot of hot air. We have distinct people advantages. We have skilled and adaptable residents and First Nations who see the benefits of economic development.

As we look at the pathway from a vision to action, we must consider Yukon's risks and constraints. We must always consider our environment and what we leave for our children and our children's children.

We must consider the pressure on health, education, social services, land access, housing stock and so on. We must be aware of our human resources and not only their quality but their limitations. We must be proactive, rather than reactive. We can't simply react to what has happened; we must plan carefully for each step.

So what is the final strategy? Population growth plus emerging markets give a strong demand. Major resources in the right location with good people to extract them with care and diligence give a good supply. This global demand and Yukon supply will eventually give us the Yukon economic prosperity that this document looks for.

What is our vision for the Yukon? The quality of life in Yukon is second to none, arising from intense global demand for Yukon resources and value-added products, natural beauty, high levels of investor confidence, a skilled labour force, rewarding career opportunities, strong First Nation participation and participating in the domestic and global economy, safe communities, and healthy, well-educated people. These are all our priorities and this is our vision, and with the development of proper infrastructure and support industries, we can generate wealth and a quality of life that we can be very proud of.

Mr. Speaker, we need to continue to promote and facilitate business and industry. The economic activity in 2007 remains strong with impacts of hosting the 2007 Canada Winter Games, strong mineral exploration and mine development expenditures and continued activity in tourism. While we talk and touch on the Canada Winter Games, the Member for Copperbelt says we should have gone into session earlier last year because we knew about the Canada Winter Games that much earlier, conveniently forgetting the fact that this government allowed Yukon government employees to volunteer to participate in the Canada Winter Games experience. Perhaps he has a solution to how you present, prepare, print and table a budget when 20 percent or more of your workforce is working within the Canada Winter Games; maybe he has the magic wand but, unfortunately, that's one thing that no government can claim to have. The magic wands just don't exist; it's hard work.

Mineral exploration in the territory topped \$135 million in 2007, following a substantial increase in 2006 to \$82 million. I believe it was closer to \$6 million when this government came into power in 2002.

The value of permitted building construction activity was, in 2007, more than 60 percent higher than the 10-year average of \$60 million. We obviously have a lot of factors into that but, again, why are we, in so many of these statistics, so much higher than the national average? Something has to be going on here that is a little harder to explain than world mineral prices.

Continued strong economic activity in the territory contributed to the unemployment rate remaining low in 2007, averaging 5.2 percent over 2007. Since the rebirth of the Department of Economic Development, more than \$22 million has been invested into Yukon businesses through its various funding programs. Those programs include the strategic industries development fund. This fund supports this government's commitment to foster the development of Yukon's sustainable,

competitive advantage by funding strategic projects and initiatives that create secondary spinoffs to the economy.

The economic development also provided funding to Sherwood Copper's Minto mine to proceed with pre-feasibility studies and feasibility studies of the newly discovered ore body on the property that may increase the economic potential of the mine. Funding was also provided to the Selkirk Development Corporation to help Selkirk maximize the benefits arising from business opportunities from the mine. It is estimated that the Minto mine will contribute \$454 million directly to the Yukon economy over the expected lifecycle of known production -- and it may go higher.

We have the enterprise trade fund. This fund stimulates and supports the growth of Yukon business activity by focusing on the development and expansion of external markets and attracting investment capital for business. For the fiscal year 2007-08, to date, a total of \$366,800 has been approved in support of 66 applications. Since its inception in August 2004, \$1,678,000 has been approved for 249 applicants.

The department maintains ongoing consultations with key industry stakeholders to ensure that Yukon businesses achieve a competitive advantage in external markets.

Mr. Speaker, we also have the regional economic development fund. This fund fosters regional and community economic development and the regional economic development branch continues to develop a strong network of contacts in all Yukon communities, First Nations and their development corporations included.

Also, the Yukon film and sound funds -- the Yukon film and sound incentive program supports the Yukon film and sound industries with available funding of \$765,000. The government continues to work cooperatively with the Yukon film industry in order to provide Yukoners with employment and training opportunities. Some successes of our programs include Marten Berkman's documentary, *Three Rivers: Wild Waters, Sacred Places* for Aboriginal Peoples Television Network and two commercials that were filmed in Whitehorse -- one for Tostitos and one for the GM Opel.

We also have the community development fund. The primary goal of the CDF is to fund projects and events that provide long-term sustainable economic or social benefit to Yukon communities.

For the fiscal year 2007-08, the program has approved 93 projects for a total of \$2.91 million in funding. Since the reinstatement of the fund in June 2003, a total of \$13.774 million in funding has been approved for projects and events that directly benefit Yukon communities.

Mr. Speaker, we have to develop that capacity and growth in the coming years. New investment capital is critical for growth. It enables Yukon businesses to expand operations, pursue new opportunities and to explore potential. The government began implementing an investment attraction strategy in 2006 to help guide the development of a diversified private sector economy while focusing on key areas of opportunity. The strategy provides a model for government in the private sector to work in partnership, and the objectives of the strategy are to raise the overall profile of Yukon as an attractive place to

invest and to do business, and to facilitate investment discussions between targeted industries and qualified investors.

Since October 2007, two significant deals have been made between Yukon-based companies and Chinese investors. On October 9, 2007, Yukon Nevada Gold and Northwest Non-Ferrous International Investment Company Ltd. -- NWI -- signed a \$3-million agreement to form a new Canadian company that will explore and develop mineral resources in the Yukon, and I understand they are progressing very nicely on that.

On March 4, 2008, a few short weeks ago, North American Tungsten Corporation Ltd. announced a private placement strategic alliance agreement with China's Hunan Non-Ferrous Metals Corporation Limited, which will raise approximately \$19.4 million for development of the Mactung tungsten project. Options within these offers, if taken up -- and we have no reason to think that they will not be -- could see a \$60-million investment into the Yukon.

In order to ensure that wealth generated from large industrial developments remains in the Yukon, the Department of Economic Development has developed an industrial benefits preparedness initiative. The industrial benefits preparedness initiative seeks to optimize industrial benefits to Yukoners through the development of initiatives designed to increase the number and capacity of local suppliers.

For instance, these include procurement initiatives to increase success in bidding work; education and training initiatives to increase the number of skilled local employees; and identifying and facilitating infrastructure and industrial synergies.

The Department of Education has been given the lead to develop a labour market framework that will guide the Yukon government's activities over the next 10 years. The Yukon government will continue to work with all levels of government and other stakeholders to explore and address labour shortage issues, as well as a Yukon-wide coordinated strategy.

Mr. Speaker, we must continue to develop our research and innovation potential. The Yukon Cold Climate Innovation Centre will be developed around the commercialization of cold climate research, something we have had plenty of this winter.

While it is still in its early stages, it has been working to raise the profile of the Yukon Cold Climate Innovation Centre through the use of targeted meetings with potential industry partners, anchor tenants and, as a result, it has already begun to attract a number of early-start projects that will raise its profile prior to the construction of the permanent facility.

For example, we are currently working with an auto manufacturer to determine if Yukon meets its needs as a cold-weather automobile testing station. The centre will also be working closely with the climate change research centre of excellence, something that we see as being worth coordinating together. Our government recognizes that the commercialization of cold-climate technologies will provide important economic opportunities for Yukoners, as well as diversifying the Yukon economy.

Mr. Speaker, we must also continue to develop our economic infrastructure, such as fibre optics and transportation. An

economic infrastructure strategy is being undertaken jointly by several Yukon government departments. Economic infrastructure includes roads, rail, airports, port facilities, telecommunication lines and equipment, water systems, hydroelectric generators and grids that enable industry and set the foundation for economic growth.

Improving national and international transportation and trade links will also lead to more business opportunities and jobs for Yukoners and for all Canadians. Objectives of the economic infrastructure strategy are to develop a coordinated strategy to address Yukon's economic infrastructure needs in order to ensure projects are considered in light of the economic impact potential, to ensure an integrated and fiscally responsible approach to responding to industry needs, and to coordinate across departments the government's approach to a number of immediate and medium-term key projects.

The Yukon is recognized as one of the most well-connected regions in Canada, with most of our communities and over 99 percent of total Yukon homes having access to affordable high-speed Internet -- impressive when you compare it to Ontario which, in the last survey, was a scant 62 percent.

With respect to long-term economic growth, we're working to ensure that the cost of Internet services is comparable to that in the south -- the capacity of the link to the south does not limit our use -- and that there is competition and innovation in the market for value-added services. The Yukon government is continuing to work within the regulatory system to push for more investment and more competitive choices. We're continuing to work with Northwestel and others to develop solutions to infrastructure challenges and to work with other governments and third parties to enable investment and choice.

The Government of Yukon and the State of Alaska publicly released phase 1 of the *Alaska-Canada Rail Link Feasibility Study* on June 19, 2007. Since that release, the Alaska-Canada rail link office completed a preliminary tourism opportunity and impact appraisal. It also is developing a Yukon solution to a phased-in rail route.

The release of the feasibility study and recent work of the Alaska-Canada rail link office demonstrated the desire of Yukon and Alaska to continue working collaboratively on issues of mutual cooperation between the jurisdictions. Yukon has presented the study to the federal government for its consideration and, much to the chagrin of the Official Opposition I'm sure, I was recently in Ottawa and speaking with Minister Emerson, the Minister of Transport, the Secretary of State for Tourism, and others within the federal Cabinet who requested further copies for their consideration, and direction that we should continue the work. I'm very pleased to report that it looks like our federal government is finally coming to the table; after many years of committing to look at it, they're actually now starting to do something.

The port access strategy study was prepared for both Yukon and Alaska governments and was released in conjunction with the Alaska-Canada rail pre-feasibility study on June 19, 2007.

A port steering committee has been established by the Skagway borough to oversee the next phase of port development.

The Government of Yukon, the State of Alaska, as well as private sector groups are represented on that steering committee. The viability of many Yukon resource developments is dependent on secure tidewater access.

The Government of Yukon is committed to securing access for the territory. It's interesting that the Member for Copperbelt sees a mine going down and negotiating independently and forgetting that there is five or six years of work before those meetings occurred. It just did not happen, I guess -- another part of the magic wand.

In the future, highways, ports, railroads, pipelines and fibre optic cables, all in various stages of planning and development, will bring global customers closer than ever before.

New global investments and trading networks will complement existing partnerships within Alaska and the rest of Canada. Economic Development continues to work with other departments and individual stakeholders to foster investment in our territory and create a healthy and sustainable economy.

As each new initiative and project comes on board, we have to evaluate it carefully and to see just how it fits into our overall strategy. We cannot just, again, ask, "Well, why aren't you doing it now?"

The government has to evaluate it and know what we are doing; we are responsible for the outcome, unlike the Official Opposition who can sit there and criticize, but in the end, are not really responsible for any of that criticism.

Collaborating with our partners is essential for each action. It's critical that these steps move towards a shared vision, strategy and actions.

The Department of Economic Development has partnered with First Nations on many successful projects, which move us closer to achieving the shared vision of a prosperous Yukon. These joint initiatives include, but are certainly not limited to, such things as the northern Yukon economic partnership agreement. As a result of actions taken under the partnership agreement, the Yukon government and the First Nations of Vuntut Gwitchin, Tr'ondek Hwech'in and Na Cho Nyak Dun signed the Dempster corridor economic opportunities identification agreement on August 25, 2006. The partners are exploring and identifying potential economic opportunities along the Dempster corridor and, ultimately, will develop recommendations for consideration by the political principals of the agreement.

Another example is Great River Journey. This project is an excellent example of Yukon First Nation participation in the Yukon tourism industry.

Chapter 22 initiatives -- Economic Development has been working closely with the First Nations of Tr'ondek Hwech'in, Kluane, Na Cho Nyak Dun and regional economic development planning initiatives. The department is actively engaged with the Government of Canada and with the Tr'ondek Hwech'in in the development of a regional economic development plan within the First Nations' traditional territory.

Sherwood Copper and the Selkirk First Nation is another excellent example. Economic Development has provided a financial contribution to the Selkirk First Nation in order to identify specific opportunities with direct economic potential and to build the corporate capacity necessary to undertake and manage these opportunities.

Western Copper and Little Salmon Carmacks First Nation. Economic Development has provided a financial contribution to Little Salmon Carmacks First Nation in order to maximize the full economic benefits related to the Western Copper project.

The Faro mine closure is another example. Regional economic development has provided financial assistance to Ross River Dena Council and Selkirk First Nation that assist them to develop the necessary corporate vehicle to respond to the opportunities as they arise from the Faro mine closure.

The Department of Economic Development provided the Na Cho Nyak Dun Development Corporation with finances to develop an action plan to support a go-forward strategy to engage in potential economic opportunities that may arise from the region's mining sector. The department also provided funding for the First Nation to carry out strategic planning that will focus on economic and capacity development.

Film Projects -- the department has made financial contributions to film projects that support and promote First Nation culture and traditions. An example obviously -- and right now topical -- *Anash and the Legacy of the Sun-Rock*. It was produced for Aboriginal Peoples Television Network and is now moving toward production of episodes seven through 13. It is up for national awards. I have had a good opportunity to watch this series and I highly, highly recommend people watch this. It is very, very well done.

And again, the community development fund -- 53 percent of community development funding for fiscal year 2007-08 has been disbursed to the communities outside of Whitehorse, not including Whitehorse.

Our government will continue to utilize the Yukon Forum, which has been established in law to promote cooperative governance with Yukon First Nation governments, based on mutual respect of each other's jurisdictions. We will continue to work with Yukon First Nations to make them full partners in the economic development of the territory, to the mutual benefit of all citizens. We will continue to assist Yukon First Nations to prepare business proposals, establish joint training initiatives, and establish financial systems and information technology links, and to assist Yukon First Nation governments in capacity development, upon request.

The department maintains ongoing consultation with key industry stakeholders and chambers of commerce, as well. With these partnerships, we assist Yukon businesses and industry in developing and maintaining a competitive advantage in external markets and in raising their profile. The relationship that we have built with the Yukon and Whitehorse chambers of commerce helps the department understand the needs of Yukon businesses.

Another key partnership that our government has strongly supported is our involvement with the Pacific NorthWest Eco-

omic Region, or PNWER. For those who don't know, PNWER is a regional U.S.-Canada forum dedicated to encouraging global economic competitiveness and preserving our world-class natural environment. It is established by statute in five American states and three Canadian provinces, with a fourth Canadian jurisdiction soon to be added as Saskatchewan joins us.

PNWER is recognized by both the United States and Canada as the model. It has been referred to many, many times by national leaders on both sides of the border as the model for regional and binational cooperation because of its proven success. PNWER is a respected voice both regionally and nationally, and its mandate is to increase economic well-being in the northwest region, facilitate policy cooperation and coordination in the region, to promote public/private sector communication and to leverage regional influence in Ottawa and Washington.

I was fortunate to accompany other members of PNWER to Ottawa in January, where we met at that time with eight federal ministers, including Minister Emerson, to discuss, in particular, PNWER's work on border management issues. We also had the good chance for over half an hour to chat about regional issues with Prime Minister Stephen Harper.

Other issues under discussion were homeland security, energy, workforce mobility, high tech, tourism and economic development in the Pacific Northwest region.

So, in conclusion, the Yukon is poised to continue its advance on the pathway to growth and prosperity by continuing its vision in the direction that was established back in 2002 after an election and after the re-creation of the Department of Economic Development as an economic driver in the Yukon.

It is through dedication and hard work that we've built a strong foundation for Yukon's future over the past six years. Our vision is *Building Yukon's Future Together: A Clear Vision for a Bright Future*. And the future for Yukoners looks brighter than ever.

We believe that several economic factors will contribute to economic growth, and these include things like global demand for minerals leading to ongoing expansion of Yukon's mineral production sector; projected strong spending on mineral exploration; a resilient tourism sector; major capital projects, including the Carmacks-to-Pelly transmission line.

As the economy continues to grow and change, the department's activities must continue to meet the demands of Yukoners. By supporting local businesses, First Nations, municipalities and communities, Economic Development ensures that the impacts of a strong economy are felt throughout the territory. By continuing to build international knowledge of Yukon's investment opportunities, we are working to see that this economic growth continues.

With those comments, Mr. Speaker, I commend the current budget to the House and ask for the support of all members in the promotion of a bright and very rich future for Yukon and its citizens.

Thank you.

Mr. Inverarity: I was hoping I would be up a little bit later this afternoon, but I see my members of the third party are...

Anyway, I guess my opening remarks would be first to thank the residents of Porter Creek South for electing me. I have to say that I am proud to be their representative in this House. I look forward to more years of continued support from them. I have to say that the area is a vibrant area, primarily urban in nature, surrounded by a great greenbelt on pretty much three sides, of course bordered by the member opposite's riding, the Member for Porter Creek Centre. I have concerns about the re-division that's coming up in the near future but I understand the recommendations from the boundaries commission are something we will have to deal with as it comes forward in the House.

I have to say that Porter Creek South is, for me, a very unique riding, particularly with the McIntyre Creek corridor traversing the back side of it between the college. I think I'd be derelict if I didn't bring up at this point in time the issue surrounding the McIntyre Creek area and the Porter Creek D housing area I noticed in the budget today. I didn't attend the actual committee by Community Services but I understand that there is somewhere in the neighbourhood of about \$25 million set aside for housing developments in the budget.

When asked what that was for, my colleagues said that part of it included some money for the Porter Creek D and Pine Street extension. Without further details -- and I'm sure we'll get into that within the budget itself -- I have a number of concerns, particularly considering all of the hearings that have been held in the past regarding trying to urbanize this green space that surrounds Porter Creek South.

As you know, Mr. Speaker, there were hearings held about two years ago where the members from Porter Creek in general strongly opposed the development of this area and felt that it should be left for greenbelt. Obviously the government still is not listening to the members or the residents in the area. The Porter Creek Community Association has come out strongly opposed to any development in this area, but not just them. Just last fall we had discussions in this House; questions were asked. The Yukon College Board of Governors said that they were actually quite concerned about development in this particular area, so I am looking forward to the actual budget debate when we can get into the details of the amount of money and how much was actually put aside for trying to develop the Porter Creek D section against the wishes of the residents in that area.

It brings up another interesting question -- we haven't asked about it in the House, but I'm sure that it will probably come, so forewarned is forearmed -- and that seems to be the spot allotment of land in the area. There is a member, a citizen, a Yukon business entrepreneur, who has recently applied and got spot land on Range Road. I was at the city council meeting a couple of weeks ago when he was presenting his zoning amendments. I think there was a concern there, not so much that we don't need a new trailer park or things along those lines that were being proposed -- my suggestion is that the access to this land seems to have been done willy-nilly. You walk in and

you can get it. There is an agreement between the Government of Yukon and the City of Whitehorse that the city would be looking after lot enlargements and that everything would be done with them being the prime drivers of new subdivisions within the city. Yet, it seems, anybody can walk in and get a subdivision just ad hoc. I have some serious concerns about that particular issue and I think that when we get into the debate, I will be more than happy to discuss them at that time.

I think that the Leader of the Official Opposition brought up some issues earlier on. I'm going to touch on those, because I think that it requires a reiteration of those issues. The first one, of course, is the issue of warrants. We saw earlier where warrants were being used improperly. I think it deserves some mention that we have time here to debate spending in this current fiscal year, and I think that this is the appropriate place to do it, rather than just going off on your own and doing other things you think that need to be done.

Anyway, I think on that particular issue our Leader of the Official Opposition has made it quite clear, and I support his position on these issues. I think that it is important that we in the House all move forward and try to work together and try to have meaningful debate in this House -- and, not just in this House. I think that it is important when we look at the committees we belong to -- and I can name a couple of them that I have belonged to. I can think of the Standing Committee on Appointments to Major Government Boards and Committees, for example. We've been operating now for the better part of a year and half and I've found it to be highly effective. I think that we all have give and take on our parts, but generally speaking, when we want to work in a non-partisan fashion, we can work in a non-partisan fashion. It is only when party politics start to enter into these debates that things start to go awry when people try to bend the rules or take the partisan side on a particular issue.

I suppose, Mr. Speaker, to some degree I am alluding to my role on the Public Accounts Committee. I have to say that I was extremely disappointed in the process we went through in the past few months. One disappointment was trying to meet and the other one finally getting meetings and then having them kiboshed by what I consider to be party politics. I have a strong belief in the purpose of the Public Accounts Committee. I think that we should be non-partisan. I think that our role is non-partisan. Our role is to stand up, walk into that committee meeting where we all wear our independent hats and we can make independent judgement, because why are we here? We are here for good government. We are here to see things and we have to have a perception in the public that is beyond the walls of this fair establishment here. We have to be seen as standing up and voicing our concerns about how government is run. We have to look into the details to find out exactly what it is that we are trying to accomplish. The Public Accounts Committee, of all the committees that I sit on, is probably one of the best -- it could be one of the best and it should be one of the best.

I look to the Leader of the Third Party, who has made some motions regarding the committee itself and that it should perhaps get together. Well, it can get together at any time, as-

suming that we go forward and actually do the job at hand, which is analyze the Auditor General's reports that come forward. I think these are important issues that we need to look at, even within the committee itself.

When it was becoming evident that it was being -- I guess "railroaded" would be the term I'd like to use, Mr. Speaker -- I suggested that we should perhaps table the motion that was on the floor until the fall. I think it would have given us all some breathing room, but it was clearly evident that this was not going to happen. The four members who have killed this committee had their marching orders, and they had to listen to them. So they moved on in that particular --

Unparliamentary language

Speaker: Order please. Order please. Thank you.

The term "railroaded" is terminology that we have, in the past, not allowed in this House. I would ask the honourable member to keep that in consideration.

Withdrawal of remark

Mr. Inverarity: Thank you, Mr. Speaker. I apologize for that. I was an old railroad man from years ago and it slipped in.

Speaker's statement

Speaker: Order. We don't debate the Speaker's rulings. We just say yes. You have the floor.

Mr. Inverarity: Yes.

As I was saying, I think it's important that we debate these issues, not only within this House. Clearly, this is the only place that we can probably do this at this point in time, and I think it's important that we move forward and try to get some of these committees back on track again.

I think at this point in time I would like to talk a little bit about the Justice portfolio, for which I am the critic. Over the past two years, I've watched the reports that come out. A year ago, approximately December 6, a road map was tabled. It was again brought forward. In it, there were deadlines. There were things that were going to be met within specific time frames. I don't believe that one single time frame within this report has been met -- this road map.

I have to say that I look forward to seeing the improvements to the interim space plan being completed, although I see that there is a couple hundred thousand dollars that isn't going to be spent in the current budget because they have not been able to meet their deadlines. It seems to be a constant problem within this department, where the money has been set aside and yet, in 2002, if we had proceeded with the new corrections facility, it would have been finished today. It would probably be largely the same, although I understand they're looking at some changes to accommodate new concepts.

We are now five years, six years, and will be another four or five years. I think one of the members from the third party said not in this sitting will we see a new corrections facility. I have a tendency to probably agree with that member, that I doubt we will actually see any kind of a corrections facility in this particular term. That disappoints me; it disappoints me

because we have individuals sleeping on mattresses on the floor in the corrections centre. We have individuals who need help, they need programming and the minister talks about programming, but there isn't any being done.

So what is happening to these individuals today? Nothing is happening to them. It's like a wasteland. I think that something should be done sooner than later. I have to say that I am extremely disappointed in the budget for this area, and where are we going? Well, I don't think we're going anywhere too fast.

I think it's important that we look at the justice system, take off our rose-coloured glasses and actually analyze what's needed here for the betterment of not just the inmates, but the staff who work there, and get some plan together. The minister is so good at getting federal money, perhaps we could be looking at some additional funding to build a major correctional institute for people who now go Outside for more than two years less a day. I'm sure that Faro, for example, would entertain a federal penitentiary in helping them and their community, but we don't see any action on that part either.

I have to say I am extremely disappointed in the way we are going and I look forward to further budget debate as we get into the specific departments. I was at a budget briefing this morning with regard to Economic Development and the comment was made that this budget looks flat. Well, I would dare say the government might be flat altogether but I think that what we are seeing is a time when we are moving into a recession -- we see it by the asset-backed commercial paper fiasco, monies being held up, mortgages are as bad as the Dirty Thirties out there in the United States and certainly within other parts of Canada. Young people can't afford housing and yet what we see from the Minister of Economic Development -- nothing; a flat budget; no money for anything new; we are just going to go along and see what we can do; spend some more advertising on budgets.

I have to say, as we were going through some of the budget highlights this morning, it came up in the budget speech -- diversified private sector economy. They talked about the money that was being invested in this and there was something in the neighbourhood of \$1.69 million for mobile communication infrastructure and emergency responders for Yukon government. And so we asked the question: how does this diversify the economy? The response we got back was that it doesn't really; it's for mobile infrastructure for emergency responders. We wondered why it would be located in this particular area for diversifying the economy, because it doesn't do that. It is for infrastructure. Smoke and mirrors -- that's all we seem to get.

In conclusion I have to say that I am extremely disappointed in the budget. There is not very much in this budget. I think that it's time the government starts looking at what they are going to do for the future of the economy of the Yukon. They talk about visions but we don't see visions -- we see flat budgets. We see a number of issues that really need to be clarified within the budget.

On that note, Mr. Speaker, I think I am going to sit down and pass control or pass speaking back over to the other side.

Thank you.

Hon. Ms. Taylor: It is indeed my honour and privilege to rise in the Legislature today to speak to this budget that was tabled in the Legislature last Thursday.

Mr. Speaker, I would, first off, like to extend my heartfelt thanks to my constituents of Whitehorse West, who have supported me over the last coming up six years in this Legislature. It is indeed a privilege to serve the people of Whitehorse West and that which comprises residents of Copper Ridge, Logan and Arkell, and soon to be an even-more expanded Arkell, as we speak.

The riding of Whitehorse West, really, is a very diverse riding. It comprises a number of young families, a number of retired seniors and elders, as well as numerous professions of all walks of life. It really has been a privilege to serve on their behalf over the last number of years, to go door to door, to respond to issues and concerns and to take their concerns and see how we can work together to address some of these issues of importance to Yukoners.

Likewise, it has been an honour and a privilege to serve the Government of Yukon in my capacity as minister over the last number of years in various capacities.

And certainly, as minister responsible for the Women's Directorate and Tourism and Culture, it really continues to be a privilege to work with the individuals who are housed in each of those respective departments. It never ceases to amaze me just how much I continue to learn from our officials and continue to learn from our stakeholders: women's organizations, tourism industry associations, clear out through every respective region in our territory.

Mr. Speaker, a lot has been said over the last number of hours here today and I would just like to really stay on the positive side and reflect on the successes that Yukon has been able to see over the last number of years. I think that if one were to take a look at where we've been to where we have come, I think that we can be very proud in the successes that Yukoners have been able to garner for themselves in working in collaboration with all orders of government, including Yukon government.

The economy has certainly seen very good times and I think that, when one looks at the employment rate, it continues to be at an all-time high. Our population continues to grow and new families are continually moving into the area that I represent and it is great. It is a wonderful thing to see. The student population continues to grow. When we see employment going up in all different sectors, it is a wonderful thing to see. Our economy has certainly diversified over the last number of years.

When we look around to the economy, I look to successes in the tourism industry. Wilderness tourism, in particular, has seen a great deal of success in being able to garner enhanced attention to the territory. When I look to the fly-drive market, the motorcoach industry and so forth, these are all areas of extreme importance to the Yukon. Likewise, international visitation remains an important economic engine to the territory and we continue to invest in particular areas. In particular, we continue to support industry and work in collaboration with them

to see the best return on investment in every dollar that we do invest in marketing Yukon.

In terms of investment in cultural industries, it's an amazing industry that has really grown and taken off in recent years. When we look to arts, to culture, when we look to sound and film, we've seen great successes on that front. Thanks to the Department of Economic Development, there have been a number of different funds made available and new funding made available. It was under this government's watch that we were able to reinstate the Department of Economic Development, the Department of Tourism and Culture and likewise reinstate the Women's Directorate to its original form. These are all important engines in our territory and as a government it's incumbent upon us to continue to work with industry to grow the economy, to provide the stimulus and investment in strategic areas such as tourism, mining and cultural industries, whether it be the film or the sound industry. I think we have been able to see just that. A number of different funding mechanisms have been made available over the last number of years that have really seen these industries grow and come to their full form over the last six years.

I commend the government for the budget that is being presented here today, in particular riding-specific -- certainly for my constituents in Whitehorse West -- dollars being dedicated to the extension of Hamilton Boulevard. This has been an initiative that has been talked about for 20-odd years, but it is actually this government that has taken the initiative to ensure that it gets off the ground and, better yet, is actually completed. We are well underway, under completion, as we speak.

The residents of Whitehorse West and all residents of Copper Ridge, Granger, McIntyre, Valleyview, Logan, Arkell and so forth, can all be very appreciative of the work going on and the \$15-million investment. Thanks to the Government of Yukon, the Government of Canada and the City of Whitehorse for making this initiative come to fruition.

It is a very much well-deserved project, and we are looking to see a final completion date of 2009. But this year alone, we're actually going to see a substantive continuation of the amount of work being done on the particular extension, including completion of the earthmoving, road building, the legal survey, the installation of street lighting, utilities, Alaska Highway improvements, and restoration of the stripping materials to respective areas.

We look forward to the completion of this project, as it will not only help to alleviate traffic that residents sometimes experience at peak times during the day and evening but, most importantly, it will also provide that emergency egress -- having that second route out of what has become a neighbourhood that comprises one-third of the city up the hill, I would say.

This budget also houses within it continued support for the one and only school in the Whitehorse West constituency, and that is École Émilie Tremblay. I've had the opportunity to engage with the school over the last number of years and to attend many different family-related events, and it never ceases to amaze me just how much spirit and culture is alive and well in that particular school.

In this budget, there are monies housed for the experiential learning program that was announced recently, within the last year. It's for about a total of \$300,000, in conjunction and in collaboration with the Government of Canada.

Again I congratulate them. Likewise I also congratulate our Minister of Education for continuing to provide dollars and recently an increase of \$385,000 in experiential learning programs to all schools in the Yukon. I think that these kinds of funds obviously provide expansion of the programs we have in all our schools to date, but the additional funds are in response to needs that have been identified, and certainly the return on investment continues to flourish. In terms of success rates of students who are engaged in these particular programs, it is an alternative way of learning and it has worked very well. I am very pleased to see that particular area being expanded.

We are also very pleased to continue to see resources being made available for Copper Ridge Place also housed within the Whitehorse West riding. It has been a real privilege to work with the residents of Copper Ridge Place over the last number of years and to continue to have "meet and greets" with them. It is really thanks to the many volunteers and staff who take part in providing recreational activities and programs to the many residents who are housed within Copper Ridge Place. It is thanks to their efforts and the time they have made available over the many years that we have really seen Copper Ridge Place flourish as a welcome home for the residents, but also a key place for a number of different community activities taking place. Again, I thank the staff for their professionalism and commitment working for the well-being of residents of the Yukon and that which has contributed to the well-being of the Yukon over many, many decades in the past.

In terms of other investments, I just want to pay recognition to childcare. Childcare was an issue of importance that was made known during the last two elections. This government has worked in conjunction and in collaboration with the childcare community over the last number of years.

In the first mandate of the Yukon Party government, we were able to work with the community and we were able to see a 40-percent increase in the direct operating grant. Under this term, over the last year, we have seen an additional \$5 million injected into the childcare community, which will reap many results, including increases to childcare subsidies -- very substantive increases of up to about 25 or 30 percent and more if you are actually a single parent. As well, dollars are being dedicated to the staff wages through the direct operating grant. Again, this is a very large issue of importance to the government and to the families that are able to benefit from that.

We have also seen a number of different announcements being made over the last recent months or so, including a number of child tax credits being made available for this particular tax year and next year's tax year -- whether it be for providing tax relief for children under the age of 18 or whether that be for children participating in fitness-related activities or in sports and recreation programs. Again, when we combine our contribution to Yukon parents, they will realize over \$100 per child in annual tax savings for that one particular item alone.

We have also seen tax relief of up to \$140 for a child under the age of 18, and when we combine that with the federal tax realization, parents will actually see up to -- I believe it is up to \$450 per child. So that is a tremendous amount of savings that add up.

As well, effective January 2008, we were able to announce a substantive increase to the Yukon child benefit. It's actually the second very substantive increase to this benefit. Again, it is increasing to just over \$57 per child. Again, it will benefit many families and certainly those families in need.

We were also able to see a recent increase to Yukon Food for Learning, which is also housed within this budget. Again, there are additional dollars for school nutrition programs throughout the Yukon. Of course, as a former long-time volunteer of the school breakfast program at Elijah Smith Elementary School, I'm really pleased to see additional new dollars being made available to school programs -- breakfast and lunch programs and so forth.

Thanks to the Minister of Justice, dollars are housed within this budget for a new Family Law Information Centre, which has just recently opened. Again, it helps Yukon families access the information they need to work through issues related to family law matters, whether that is separation or divorce and so forth. Again, it is another very good investment.

The creation of the family supports for children with disabilities unit -- this was another election commitment that was announced during the last election and I'm very pleased to be able to support it and be part of a government that has provided new dollars for a new program that provides coordinated access to services and interventions for children with disabilities. Again, the new program will include, for example, expanded supports for the provision of more respite, aides to assist children in participating in recreational activities, expanded behavioural therapies for children with FASD, autism and other disabilities that require behavioural interventions.

There is the creation of a multidisciplinary team that will also review treatment plans using both Yukon experts and certainly Outside assistance when required.

So, Mr. Speaker, there is much to celebrate when we look at investments such as these that we have been able to realize over the last year that are housed in this particular budget.

When we look at items in this budget particular to my respective areas, tourism and culture, we see investments toward what we have deemed as Destination Yukon. Again, it's really following the success of the national marketing campaign that took place, which surrounded the 2007 Canada Winter Games marketing program. This is really \$750,000 and it's a new initiative called Destination Yukon, and it's really designed to continue to promote Yukon as an accessible, affordable destination of choice in key target markets across the country.

Again, we are using multimedia advertising through Web site use and television advertising. As we speak, we are actually promoting the Yukon on a number of different channels: the Discovery Channel, the Outdoor Life Network, and *Maclean's* magazine, even during CBC hockey, Mr. Speaker.

We are certainly targeting great shows of interest to Canadians and telling them all what Yukon has to offer as a travel destination.

Also within this budget, we have made dollars available for the completion of the www.travel yukon.com Web site. Again, that's another \$750,000 investment in the Web site, and has been a great collaboration among industry, the government of Yukon and many different partners: communities, First Nations and so forth. We are really quite proud of the Web site and, of course, we are even more proud of the fact that we will be actually the first in western Canada to provide a Web site that has been mirrored in French.

So, again, the very first time, and thank you to the French Language Services Directorate for their cooperation in this regard.

We also continue to have funds made available through our many arts funding programs and, of course, this budget sees a continued increase of \$563,000 in arts funding to many different programs, including a new touring program, additional dollars from \$25,000 to \$100,000 for the Artist in the School program, and enhanced funding to our whole level or whole suite of programs available for arts and culture in the Yukon -- another economic engine we are very pleased to be able to diversify in the Yukon.

Mr. Speaker, there are so many different initiatives I could outline throughout the course of this sitting, and I will be taking time, provided members opposite provide me the time, to articulate in greater length all that we are doing in the Department of Tourism and Culture.

Again, we are very pleased to see improvements going ahead to the Whitehorse airport terminal building, an approximately \$16-million expansion of the airport, which will see continued growth and sustainability of international flights coming our way, particularly those coming directly from Frankfurt, Germany.

We have seen tremendous growth in those flights alone. I believe it's almost a 30-percent increase in the growth of flights over the last number of years, in particular six years. So we are really pleased to see the results of industry working in partnership with Tourism and Culture to ensure that these flights continue, but also continue to grow in the territory.

We are also very appreciative of the number of highway initiatives taking place in the Yukon this summer, in particular to the Robert Campbell Highway, and a very substantive number of dollars are being invested -- about \$30 million over the next three years. It is another strategic highway for multiple purposes but, certainly as a tourism corridor, it will very much benefit in particular the communities of Faro, Ross River, Carmacks and Watson Lake. So again, congratulations to the Department of Highways and Public Works and to the minister responsible for making those dollars available.

We are also very pleased to see in this budget dollars being made available for a new interpretive centre at Tombstone Territorial Park, which has just recently been designated as a park. This has been a work-in-progress for the last number of years and it's going to be wonderful to see the state-of-the-art emerging technology and building coming to fruition in the next few

months. It should be completed later on this year, and this has been a great demonstration of a good partnership between Tr'ondek Hwech'in First Nation, the Department of Tourism and Culture, the Department of Environment, Holland America and many, many others in the community who are in the Klondike region.

We are very pleased to see progress being made in the communities of Carcross and Whitehorse -- in particular, waterfront development. Some very exciting initiatives continue to uncover themselves. There is much more work to be done but we are very pleased with the progress to date. There's much more to be done this year and so forth.

I've been very privileged to have the opportunity to serve as the minister responsible for the Women's Directorate over the last number of years. The mandate of the Women's Directorate is to advance the social, legal, economic and political equality of women in the north. Together with women of the north, women's organizations, and all orders of government, we have been able to do just that.

I congratulate the officials housed within the Women's Directorate for the numerous priorities that we have tasked the Women's Directorate with, to work closely with our stakeholders and to move forward on a number of different fronts to advance women's equality in the north. Some of these new initiatives have been articulated in the budget speech, including the women's substance abuse project and housing developments for lone-parent families, of which women and children make up the lion's share.

We are also very pleased to continue with the public education campaign on violence prevention. We are about to wind up the third year of the campaign itself and we look forward to unveiling the actual results of the third year of the campaign and, therefore, continuing to see how we can better deliver violence prevention programs in our communities.

I am very appreciative of the work that has been done in the Department of Justice in addressing violence in our communities through the family violence prevention unit, providing women's programming, programs to perpetrators of the crime of spousal assault, management programs, and so forth.

The sexual assault response team is a new initiative that is also outlined in the budget. Again I think that is a really exciting initiative for the Department of Justice, in conjunction with many agencies, stakeholders, RCMP, and the women of this territory, for a better coordinated response to sexual assaults taking place in the Yukon. The Minister of Justice will most likely be able to articulate much more on these initiatives.

Women in education -- again another area where we continue to provide gender-inclusive analysis in our schools -- promoting programs in a number of our schools, providing gender-inclusive analysis in the Government of Yukon, providing training, opportunities for front-line service deliverers to become more acquainted with the work of the Women's Directorate and how their work can better reflect the needs of women, which are different from the needs of men.

So, Mr. Speaker, we have been very busy over the last number of years. We continue to do the good work that we were elected to do, and I am very proud of the work that has

been done. I too would like to congratulate all of the officials in the Government of Yukon for their tremendous work -- many, many hours, days, months and, of course, over the course of a year, a lot of effort and hard work has taken place to make sure that this budget comes together, certainly on time and on budget.

I believe that we have been able to demonstrate our commitments throughout this budget document. We certainly have a few more years to go, so there is certainly more work to be done. I think that much of what continues to unfold before our eyes is really the product that was set in stone almost six years ago.

Thank you, Mr. Speaker, and I look forward to receiving the members' support from all sides.

Mr. Edzerza: Mr. Speaker, I would like to start out by acknowledging all of the constituents in the riding of McIntyre-Takhini. I would also like to thank them for braving the cold weather and coming out to the constituency meeting I held in January.

There was also an election for the Kwanlin Dun First Nation Chief and Council on March 19. I would like to congratulate the candidates who put their names forward for Chief and Council because it is a big commitment to make.

I do appreciate the number of citizens who came forward to take on the challenge. I would like to congratulate Chief Mike Smith on his re-election and to also congratulate the elected councillors: Jennifer Edzerza, who happens to be my wife, Helen Charlie, Ray Webb, Jessie Dawson, Shirley Dawson and Edith Baker. I believe that the Kwanlin Dun First Nation citizens have spoken and I sincerely hope that they all work to the best interest of the citizens and wish them good progress over the next three years.

Mr. Speaker, I would like to take this opportunity to raise some of my constituents' concerns that were brought up at my constituency meeting. For example, one major concern that was raised was the location of the Whitehorse Correctional Centre. There were mixed feelings about the location. Some felt very strongly that there should not be such a facility located in the centre of an industrial area that is surrounded with elementary schools and residential properties. There were also several First Nation elders from Teslin, Watson Lake, Whitehorse and Carmacks who did mention to me that they felt the location wasn't appropriate and there should be some consideration in relocating it to another area that would be more suitable and more appropriate for such a facility.

Mr. Speaker, another major concern that was raised with me is the large number of traffic accidents at the intersection of Hamilton Boulevard and the Alaska Highway. It has been noted that when there was a traffic circle in this location, one very seldom heard of an accident there. Since the traffic circle was taken out, the accidents are almost weekly and it is a real major concern to a lot of the constituents in my riding.

I would also like to raise another issue that was brought to my attention and that has to do with the child welfare act review. It has been noted on several occasions over the past 25 to 30 years that this act did not reflect First Nation values. I believe,

after reviewing the act, it does address a fair number of issues, but still needs to go much further. For example, there wasn't any section in there to deal with a child advocate. I believe that's a very critical component to this act because, at the present time, who speaks for the children? A lot of my experience is working in this area and, quite often, a young person who is capable of giving an opinion has nowhere to give it. So, it's important that area gets covered.

I believe also that there's a lot of cultural clash that exists within the existing act and even some of the recommendations. I know that the member from Teslin would probably dispute some of the comments I make, as is quite common on every other presentation I've made, to rebut a lot of the things that I say, but I think as a First Nation person in territorial politics, the cultural clash is very evident to me.

Sometimes it would be more productive to consider those clashes and to make amendments and concessions that will try to find a remedy to some of the issues. A lot of the act does not reflect First Nation values and it has to, because the majority of children in care are First Nation.

We are prepared to build a correctional facility to accommodate the inmates, so we should be able to make amendments to an act that is going to reflect the needs of children. After all, I believe I've heard it several times on the floor of the Legislature how the children are our future. We need to get very serious about what concessions the government would be allowed to give up, or what kind of power they would like to share with the First Nations. I believe that is where it's at -- it's all in sharing responsibility.

If one government has jurisdiction over another and it is exercised, then, at the end of the day, one person has to be a loser. At this point in time, it just happens to be First Nations in this territory.

I really do encourage the Minister of Health and Social Services to listen to what the people have to say. I know there is always reference to the collaboration that has been done throughout the Yukon with regard to these very big, important issues, but collaboration is worth nothing if there is no action to follow that collaboration.

If the people are asked to have input and the input isn't reflected in the act, then it is a waste of time. All the recommendations that came forward to the Minister of Health and Social Services' committee with regard to positive changes to the act are not all being respected. I strongly encourage the minister to look at possible changes so that a lot of the people in the territory don't feel that they've just been taken advantage of and have wasted their time over several months.

I would also like to go into a bit of First Nation relationships -- mainly because it so happens that the largest First Nation in the territory is situated in my riding. A lot of my constituency issues are going to be revolving around First Nation issues, and rightfully so, because there are a very large number of First Nation people in my riding. It appears that a lot of the social problems that the government has to deal with happen to be with First Nation people. Unfortunately, it is a fact that First Nation people are the largest population in the correctional facility. A largest number of children in care are First Nation

children, so there will be a lot of issues around the relationship that the government has with the First Nations in my riding.

I'd like to just raise a couple of issues right now that are difficult for the First Nation. I say that because there appears to be a breach of trust. When you have a breach of trust, it really creates a difficult situation in a government-to-government relationship, for example. When Hamilton Boulevard was going to be extended, the Kwanlin Dun First Nation sincerely believed that Chapter 22, Schedule A in the *Kwanlin Dun First Nation Final Agreement* would be honoured to the max. Well, as it turns out, Kwanlin Dun felt that they would have an asset agreement that would be honoured with regard to the economic development within the work that was going to be available with the extension of Hamilton Boulevard.

In 13.1 of Chapter 22, Schedule A, it states very clearly that for any project that is within the \$3-million range, the Government of Yukon would develop an asset agreement with the Kwanlin Dun First Nation. But that didn't happen. It was brought to my attention that it was felt that 13.1.1 of that agreement was exercised by the Yukon government, and there appears to be somewhat of a loophole in the agreement that the government took advantage of and that was very simply to develop an memorandum of understanding with the City of Whitehorse, thus being able to get around 13.1 of the Yukon asset construction agreement. This was unfortunate, because the Kwanlin Dun First Nation did negotiate these agreements in good faith and to not exercise it in that capacity created a mistrust here with the First Nation and the Yukon government.

That is an example of one issue. There is another issue I'd like to bring up and maybe the Justice minister will be able to shed some light on this in the future. There was a collaboration agreement between the Kwanlin Dun First Nation and the government with regard to the construction of the new Whitehorse Correctional Centre -- if it ever becomes reality. At this point we really don't have much faith in it ever becoming a reality; however, it might happen. It was brought to my attention by the leadership of Kwanlin Dun and they feel that whole agreement is toast. It has been basically just done away with. There have not been any talks with the Kwanlin Dun First Nation with regard to this humongous project that is going to be built within their traditional territory.

Again, I would encourage the Justice minister to get in contact with Kwanlin Dun and to really get down to some serious discussions around this issue. At the end of the day, there is one of two ways this project could turn out. It could turn out to be very positive or it could turn out to be another sore spot for the biggest First Nation in the territory. I don't think the First Nation is asking for much when they ask the government to live up to the negotiated economic development measures in Chapter 22 of their final agreement.

So those are just a couple of requests that I sincerely hope the government will really take very seriously. It would be an excellent way to start mending and developing a positive working relationship with one of the biggest First Nations in the territory.

I'd also like to mention just a little bit about the budget highlights. I went through that section, and I was somewhat

surprised at what the highlights really were. There was nothing in there that really jumped out and caught the attention of a person who would be reviewing it for the first time. There was no mention of an increase to the SA rates, and that was a promise of this government and has been for some time now. They promised that there definitely would be monies in the budget -- this sitting -- to address that issue. As recently as a week ago, I had someone call me at the office questioning me about when there would be an increase to the SA rates. Of course, my response was that I definitely hoped that there would be something in the budget this sitting to deal with that issue, but unfortunately it is not there.

I also looked for a highlight announcement of a land-based treatment centre in the territory that would be developed in partnership with First Nations, because there are several that have infrastructure in place and they are just waiting to go. However, there was no mention, again, of a land-based treatment centre and that is unfortunate, because there is a whole section in the budget speech that speaks to a better quality of life. Well, good luck to anybody who figures they can produce a better quality of life without a facility that can handle several clients who are dealing with drug and alcohol addictions and mental health issues.

We always have to keep in mind how fresh the residential school era is in this territory. And only those who went to these schools will ever know the real impact it had on their lives and their inability to live a good, healthy life.

Many years ago, I heard from the First Nation people that the most important years of your life are going to be from birth to five years old and eight years old. Well, it just so happens that a lot of the children that are suffering in our institutions today were those young kids of four and five years old who were taken from their homes.

I know that some of them were left at the tender age of five years old and never saw their parents again for 13 years. These individuals are the ones who could make good use of a land-based treatment centre. I've stated many times -- over and over and over -- that First Nation people have to be the ones to take control over the healing part of their lives.

I don't believe anyone can bring psychologists in to clear up this issue. It has been going on for 100 years or more, so it's going to take a long, long time to address this issue. It's not something that can be temporary. It's something that has to be developed so that it will be in place for many, many years to come.

So I was again somewhat disappointed that there was no mention of a land-based treatment centre.

I also was looking for something on tourism to see if there were any plans that might be put in place for the drastic increase to the price of gas, but I didn't see anything. So, again, I think that is going to have to be something that is considered for the upcoming years in this territory.

If tourism is going to be promoted and the government is going to spend millions and millions on promoting tourism, then I think they have to really look at how this issue is going to be addressed. Again, I believe quite strongly that there are

alternatives to gas and diesel, and maybe it is time that even the Yukon started looking at ways to deal with this issue.

Another important initiative I'd like to raise today has to do with the uranium mining. As recently as March 18, 2008, there was a CBC special report which stated that First Nation leaders and environmental groups in Yukon are organizing to try to block a road into some uranium mining claims near the Wind River. What is important about this is that, right now in Ontario, the governments there are putting people in jail. That is their solution -- find them and put them in jail because they are protesting mining companies coming in and taking over First Nation lands from developing mines.

It's rather unfortunate that some of the First Nation people were just picked out of the group, basically, and given six months in jail and \$25,000 fines.

I'm raising this issue today because I know that there is very strong resistance to uranium mining in the Yukon Territory. And I certainly hope that this government is not going to follow suit with some other governments and deal with all of these disputes through courts, rather than negotiations.

I think it could become a trend right across Canada and it would be nice to see a very constructive way to deal with this issue.

I think the seriousness of it is minimized. I have talked to some people who, for example, lived on a reserve. I believe it's about five miles from the tar sands in Fort McMurray. They lived there for hundreds of years. Now they have a big smelly, stinky oil plant that, every time the wind blows, they can smell all of the sour gases coming off these oil fields. What can they do about it? Nothing, because it's government doing it. The government appears to be able to do just about anything they want at any given time.

So it is a major concern for people right across Canada and I believe we are going to see the day in this territory when it's going to be a major concern here.

I know progress is something that can be like a steam roller: it just rolls over everything.

It can also be a very constructive tool, if respected and used in the proper fashion. Progress is just a word that, in my opinion, defines a way to move with some issues. Mining, for example, in the territory -- jobs are essential but, at the same time, we need to respect the land, the water, and the air. Once those are gone, I think we're all going to be gone -- either that or we're going to be living in glass bubbles.

I would also like to make some comments about the 2008-09 main estimates. In spite of its massive size of \$900 million, the annual surplus is razor-thin at only \$341,000. It would have been an extra \$37 million if it weren't for the ABCP issue.

There are also glaring gaps, such as the failure to address the serious needs of people. Throughout the whole social agenda, there are issues of homeless youth who do not yet have a secure facility. There are issues around the receiving home that was supposed to be replaced, or upgraded or removed. That is still an issue that hasn't been addressed.

There are still issues around palliative care that haven't been taken care of. I know that at one time the government was

quite proud of opening up 40 beds -- now I've heard they closed about the same amount.

Again, those are issues that are very serious and need to have a way to address them. Finances are one way that things appear to be able to move a little faster -- if there is no money, things don't go anywhere.

So, not having those dollars identified in the budget simply tells those of us in opposition that it's not a priority. In that case, there is no definite schedule for these issues to be addressed.

There are some issues, you know, that we can really applaud, such as the investment in the licensed practical nurse program and pre-employment trades training at Yukon College. The licensed practical nurse program is a very good announcement. It's unfortunate that we couldn't have a registered nurse program because, at the present time, there are several Yukon students who have to move out of the territory to become a registered nurse.

Again, I want to mention that there is a cultural clash here too. Even in this issue there is a cultural clash, because a lot of First Nation people won't move out of the territory for four years to go to school. But if they were able to do it here, I would guarantee there would probably be a very good increase in the number of First Nation people who become professional people.

We are also pleased to hear that the government will be raising tobacco taxes, which is something we have supported and something that will especially help to discourage young people from taking up this life-threatening habit. I hope that the young people really do pay attention to this very serious issue.

At one time, it might have been a kind of prestigious thing to smoke. But today I don't really think it's there. I believe that the young people need to start becoming more focused on their health.

It is only when they have the addiction that they realize how difficult and how powerful this really is -- when you want to quit and you can't. It becomes a double-edged sword. Eventually, it takes your life or you have to muster up every bit of willpower you can find to be able to get rid of it.

One of the outstanding things about this budget is this government's attitude toward public spending. Five years ago, this month, the Premier said, "It is a simple fact that the growth in government spending cannot be sustained." He said that while he was tabling a budget of \$550 million. Only five years later, he's spending a staggering \$900 million -- so much for the fiscal restraint.

What is even worse is that under this Minister of Finance, our dependence on transfer payments from Ottawa has increased substantially. Here are some facts that support that. In 1999, under the NDP, federal transfers were 67.7 percent of the budget and territorial taxes were 12.6 percent. In 2000, under the NDP, the federal transfers were 65.9 percent and territorial taxes were 12.4 percent. In 2002, under the Liberals, our federal transfers were 69.5 percent and territorial taxes were 10.2 percent. In 2003, under the Yukon Party, the federal transfers were 78.5 percent and territorial taxes were 10.3 percent. In 2004, under the Yukon Party, the federal transfers were 71.3

percent and territorial taxes were nine percent. In 2005, under the Yukon Party, the federal transfers were 70.8 percent and territorial taxes were 8.2 percent.

In 2006-07, under the Yukon Party, federal transfers were 72 percent and territorial taxes were 8.6 percent. In 2008, under the Yukon Party, federal transfers were 72.3 percent and territorial taxes were 8.9 percent, and that includes the \$4 million in new tobacco tax.

So you can see the dependency went from 67 percent to 72 percent. Those are some of the messages I wanted to get out on this budget speech, and I believe that a lot of the issues I raised here today can be addressed. There's no doubt in my mind that if the government were to develop the political will to recognize culture clashes, it would be a great advancement forward. I can guarantee you the relationship between the government and First Nations would just escalate like crazy. I mean, it would really go.

But as long as the political will is to be dominant over other governments, then we are always going to have conflict. We're not going to be able to work in partnerships -- sincere partnerships. And if there is a political will to address the social issues, I believe it's a plus for the government. It's not all about making money; it's not all about supporting business.

The business people are suffering today because they say they have no employees. Why is that? How does one think that making it easier for immigrants is the solution to that? How do people think that is going to solve it? It's not going to.

One of the best things that will start to address this issue is to start dealing with the emotional, mental and spiritual health of the person. If a person is healthy, free from addictions, you have a much better chance of enjoying your life on this earth as a tradesperson, as a doctor, as a nurse -- life becomes more of an incentive than one where you are just existing from day to day.

I close my part of this debate by pleading with the government to sincerely look at these issues, if not in this year, to start looking at them as their years in government continue. They still have four years to work on a lot of these issues and I hope, at that time, I'm not standing here saying the same thing I'm saying today, that we need to put more emphasis on the social agenda and really, sincerely provide a better quality of life for all citizens in this territory.

Thank you.

Hon. Mr. Rouble: Mr. Speaker, it is an honour and a pleasure to rise in this Assembly today to address this budget that is before us. Before I begin, I would just like to say how much of an honour it is to serve the people of the beautiful Southern Lakes and to be their representative here in our Legislative Assembly. I really appreciate the words of wisdom and words of encouragement that I receive from the people in Carcross, Tagish, Marsh Lake and all the points in-between, and I will do my best to ensure that their needs and the needs of all Yukoners are met by our government.

I'd also like to thank the Department of Finance officials and, indeed, all of the officials throughout government for their assistance with putting this budget together. Crafting a budget

like this is certainly not something that is done in isolation; it's done with the involvement of all the various departments at different levels and then, finally, with the elected officials.

It's always a challenge, and one that we face every year, of working with all the priorities and all the many good ideas, of ways of addressing the interests of Yukoners and fitting all of these projects into a budget. I'm very proud of the one we have put together this year.

I would like to thank all Yukoners for their input, whether they are constituents or others who have given me a phone call at home or stopped me in the street, or those people who have come out and participated at our community tours and community visits throughout the territory. Indeed, those are a great exercise where they allow us to get out, meet with many people throughout the territory and find out first-hand the issues on the street and the impacts that certain programs and initiatives are having.

One of the key initiatives that I would like to applaud in this budget -- as well as it being able to address the key vision of the Yukon Party -- is that it is a balanced budget. It's a budget that lives within the means; it's a budget that recognizes the revenues that we have coming in and recognizes the responsibilities that we have throughout the various sectors in our society. It does so without mortgaging the future. It allows us to maintain a healthy financial surplus so there is cash available should an unforeseeable event happen. I think we're all aware of some of those things that could happen and that we do need to have cash on hand in order to prepare ourselves for such emergencies.

Mr. Speaker, this budget recognizes the revenues we have coming in. It certainly recognizes the own-source revenues we have in the territory, and we're seeing those grow. We're seeing revenues from different sectors of our environment grow and their contributions to government continue to grow.

Now, one of the things I'm getting a bit of a mixed message from members of opposition on, though, is them wanting to see own-source revenues grow. Well, frankly, I don't want to see Yukoners taxed more. I don't want to see personal taxes for Yukoners increase. I want to see as much money left in the pockets of Yukoners as possible.

What I would like to see is more Yukoners out there contributing taxes so that we can continue to provide the level of service that we have grown to expect in the territory. I would also like to see other sectors and industries continue to grow and develop. We've seen a tremendous growth in recent years in tourism, information technology, arts and culture, and some manufacturing areas. Of course, there is always room to grow in other areas.

But as we grow our own-source revenue, I wouldn't like to see that by increasing the tax burden on individual Yukoners. Instead, I'd rather see more Yukoners. I think we're pretty much all in agreement on that point in this Assembly -- at least, I believe so. If I'm in error, I would appreciate members of the opposition clarifying their position on this.

Of course, if we're going to do this, we're going to see a growth in our industries and economies, which we're seeing happening now. We'll also have to make changes to our com-

munity infrastructure, and that will mean more housing lots available.

It is frustrating to hear some of the debate today. I have heard members criticize a planned development and then criticize spot-land development. I think that we do need to have more reasonable development done in a reasonable manner throughout the territory, where it is not only Whitehorse that is enjoying an economic upswing, but also our various communities.

Mr. Speaker, the Yukon Party ran on a platform of working toward achieving a better quality of life for Yukoners, of protecting and preserving our environment and wildlife while studying, mitigating and adapting for climate change, promoting a strong, diversified private sector economy, and practising good cooperative governance with strong fiscal management. I'm proud to say that this budget continues those four key themes.

Again, this is a good, solid budget that lives up to Yukoners' expectations of what they need from their government, and it does so in a fiscally responsible manner.

Mr. Speaker, as the MLA for the beautiful Southern Lakes, I am glad to say that this budget is responsive to many of the needs out there, whether that be community infrastructure in the area of roads, water, sewage and recycling and that type of thing, but it also looks at some of our quality of life issues, recreation issues, looking at our community centres and that type of thing.

Also, Mr. Speaker, I'm very pleased to see how responsible and responsive this government has been to the recent flooding throughout the beautiful Southern Lakes and throughout other areas in the territory. I'm glad to see that there are funds in this budget to assist those Yukoners in need, to help them get through the problems that were caused by the high flood waters last year. I know that people in the communities in Carcross, Tagish and Marsh Lake have warmly embraced many of these programs. Of course, we'll need to do more work in the future, but I think we all know that the work of government does not really ever stop.

Mr. Speaker, as Education minister, I see my number one job to be ensuring that Yukoners have the opportunities that they need to succeed. We have to provide the opportunities for Yukon students so that they can learn, grow and develop to be all that they can be.

I am very pleased to see that the Department of Education was so prominently featured, as always, by the Premier in the previous budget speech. I wasn't quite keeping track, but I think members did notice that the first 20 minutes of the speech were taken up with Department of Education initiatives. And that is just one more indication of this government's high priority for education and the role it plays in developing our youth for our future.

Mr. Speaker, we will get into the Department of Education's budget in quite some detail throughout debate. I am very happy to see that this budget will continue to deliver accessible quality education, so that learners of all ages can become productive, responsible and self-reliant members of society.

We will accomplish this by creating a more responsive education system that enables learners to succeed by enhancing transitions between different levels of education, training and the world of work; by developing and maintaining meaningful relationships with all partners in education; and by enabling education, training and skills development for Yukoners, so that they may respond to opportunities and meet Yukon's labour market needs.

I am very excited about this budget. It does have some very interesting new initiatives in it, and it is very responsive to the needs, not only of our students, but our other stakeholders and partners in education.

I expect we'll get into much greater detail on the Department of Education when we get into its portion of budget debate, and I am very much looking forward to that. It would appear, from some of the comments that I have heard earlier today, that there is a bit of confusion from members opposite about some of the aspects and programming going on in the Department of Education, and I look forward to having an opportunity to clear that up.

Throughout the government there are responsible, responsive initiatives in each department, and I am looking forward to hearing from my other colleagues about the initiatives that are going on.

Also I appreciate the comments coming from members opposite. I know it is often very cynical in here. People will come in and talk about a \$900-million budget and condemn it and say that there is nothing good in it. I am glad to see that members opposite have not followed that approach this year and that they have found some good or recognized some value in an almost \$900-million budget.

Mr. Speaker, as we are seeing by our legislative calendar, it will be a very heavy session with additional legislation that was tabled today, and I expect more will be tabled in the upcoming days.

I will keep my comments quite short here today, and I encourage other members to do so. We will have an awful lot of issues to discuss, I expect, over this session.

That being said, Mr. Speaker, we did make a commitment to operate in a very collaborative and cooperative manner and to be responsive to Yukoners' needs. I know as a government we have tried to do that by working with our various stakeholders and our partners throughout all aspects of government, and we will continue to work with them. We are also looking forward to working with the opposition on how we can best pass this budget and how they can endorse the budget too, and demonstrate their support for it. I am sure that when we clear up some of their misunderstandings, they will see the value of what is going on in the budget. If they approach it with an open mind and the willingness to see the good in it, they, too, will see how such a balanced, responsive budget will be of benefit to the territory.

I will give just one small example of cooperation and collaboration. I believe that tomorrow we have foregone our normal private members' day -- or I should say the Member for Klondike has graciously foregone the private members' day in

order that the third party's legislation may be brought forward. I look forward to the debate on that.

I do know that there are other issues that I'm sure will come up during debate where all members will want to be involved. I know the Member for Klondike has some important issues that he wishes to bring forward to the floor of this Assembly.

I think that if we all work together, collaboratively and cooperatively, we can see the benefits of this budget to the territory. I would encourage all members to act in the best interests of their constituents, to stand up, to support this budget and send a strong message to all Yukoners that this is a good budget and one that will be good for the territory.

Thank you.

Hon. Mr. Lang: I rise today in support of our sixth budget put forward in this House over the last six years. The Member for Porter Creek South said there wasn't much to talk about in this budget. But there is quite a large budget and quite a large growth in our economy in the territory and, of course, the government is participating in that growth.

It was very important for us as government, when we started six years ago and we were elected six years ago, to make some changes in government, and part of that change was the Yukon population that had tired of the 18 months or 20 months of Liberal government and the Yukon population could see that the direction the government was taking and the Yukon was taking was not a positive one the Yukon should be going in at that time.

And, of course, once we took over as government, we understood the fact that the resources here were not adequate for us, as Yukoners, to supply the services for Yukoners that Canadians expect across Canada. The Leader of the Official Opposition takes umbrage at the fact that the budget is so big and the budget proportion is from the federal government.

But I remind the member opposite that we are Canadians. We do deal with being Canadians and, of course, the cost of supplying those services -- those challenges that governments have north of 60 -- is a burden we carry as a government, and this government is prepared to carry that burden.

Now, as we move forward with our sixth budget, it is a very solid budget and a growth budget when you look at what's going on out on the street today. What's going on out on the street today is a far sight from what was happening on the street six years ago. Of course, this government has been working for the last 72 months to make that change on the street.

When we, as the Yukon Party, inherited the government from the Liberals of the day, we were -- as they said on the street -- a U-Haul-based economy, and that was money going south -- people packing up and leaving. There wasn't the flexibility people have today with their children coming back and working in Yukon -- not only for the government. Free enterprise has replaced the government in a lot of ways.

The capital expenditures on the street in the territory this year will exceed that of government.

So we do have an economy and that economy is on the street. If we were to look at the departments of Education, Eco-

conomic Development, Tourism and Culture, Health and Social Services, Community Services, Justice -- every department is working aggressively at serving the needs of the territory, of all the individuals in the territory. So when the members opposite talk about our budget as if there is nothing in it for Yukoners, it's not really. It amazes me to think of where those people live. Where does the opposition live? Are they blind to reality? Have they got such a short memory that they can't remember 72 months ago? I'm not quite sure that they are in tune with Yukoners.

I hear only positive things on the street about the direction the territory is taking, whether it is the Carmacks-Pelly hydro line expansion and the opportunity for the community of Pelly to get off diesel, or the option, the next phase, Pelly to Stewart, so we can manage the hydro of this great territory of ours and so we can get more people on to the grid and can manage our hydro in such a way that we minimize our expenditures on the petroleum sides of generating energy and utilize the hydro that we have at our disposal. Those are all good business decisions. The hydro line is on budget and on-line for completion. That is a very positive thing. The budget is in place for it.

I have to thank the government of the day, the Yukon Party government, for investing in that. The member opposite was talking about the third wheel at Aishihik. Mr. Speaker, that will mean we as Yukoners will not have to start the diesels in our community here in Whitehorse as much as we have in the past.

In a perfect world, Mr. Speaker, we could eventually eliminate those diesels in downtown Whitehorse and not be dependent on them for backup power. Wouldn't that be a novel idea, Mr. Speaker? That is well worth \$5 million. The money was a contribution agreement from the federal government. It passed the federal government's critiquing of it to make sure that it did fit into the program as it was put forward to us. So that is going to go ahead.

Now, Mr. Speaker, the Minister of Education was just speaking about education. This government has moved forward with education reform. We have \$104,000, Mr. Speaker, for the student financial assistance grant. This is a very positive move, Mr. Speaker. Of course, we have the pre-employment course at Yukon College in the heating trades and housing maintenance program; that is a \$300,000 commitment in the Department of Education, Mr. Speaker.

There is over half a million dollars for the development of a two-year licensed practical nurse program at Yukon College. Now, if there is one thing that Yukon needs, it is practical nurses to work in our communities and our health centres around the Yukon. This is a very good investment for Yukoners.

There is \$6.67 million in our budget this year under the territory health access fund to improve community health services, which was another commitment by this government to work in our communities.

We have \$418,000 for family support services for children with disabilities -- another commitment. Now, I have to say something about the members opposite. Out of this \$900-million budget, that was one of the high points in their compliments coming from the opposition. It was agreed by both oppo-

sition parties that \$418,000 was a good move. I thank them for that.

As far as the rest of the roughly \$900 million, Mr. Speaker, they obviously haven't critiqued it and pulled out the other added advantages for the territory. And, certainly, at the end of the day, it's all about good management of taxpayers' money. That's what this government is committed to do.

We have certainly looked at the books of the territory in a very positive way. We've got a strong bottom line. We can make this kind of commitment -- these financial commitments. So, at the end of the day, all Yukoners will benefit.

We made a commitment in the last campaign that we would leave the territory in a good financial condition. And, after four years, we have certainly improved the bottom line compared to the last government.

Now, government isn't about pointing fingers backward. It's about pointing forward. And it certainly is interesting that we work in a positive way with our partners. And, of course, our partners are not only citizens of the territory but -- very important -- the First Nations in the territory. And, of course, in Energy, Mines and Resources, we do that on a daily basis.

Motion to adjourn debate

Hon. Mr. Lang: I move that debate be now adjourned.

Speaker: It has been moved by the Minister of Energy, Mines and Resources, that debate be now adjourned.

Motion to adjourn debate on second reading of Bill No. 11 agreed to

Hon. Mr. Cathers: 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 stands adjourned until 1:00 p.m. tomorrow.

The House adjourned at 5:27 p.m.

The following Sessional Papers were tabled March 25, 2008:

08-1-61

Yukon Electoral District Boundaries Commission: Final Report 2008 (Speaker Staffen)

08-1-62

Auditor General of Canada, Office of the: Government of Yukon's Role in the 2007 Canada Winter Games (February 2008) (Speaker Staffen)

08-1-63

Auditor General of Canada, Office of the: Investment in Asset-backed Commercial Paper, Department of Finance, Government of Yukon (February 2008) (Speaker Staffen)