

**Yukon Legislative Assembly
Whitehorse, Yukon
Thursday, April 8, 2010 — 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.

Are there any tributes?

TRIBUTES

In recognition of the End of an Era Ceremony and Vimy Ridge Day

Hon. Mr. Fentie: I would ask the indulgence of the House first to join me in making welcome war veterans and members of the Royal Canadian Legion who are in the Legislature today. The individuals present and others, Mr. Speaker, will be taking part in a memorial ceremony in Whitehorse tomorrow. The End of an Era Ceremony will acknowledge the recent passing of Canada's last veteran of World War I, Mr. John Henry Foster Babcock. The ceremony will commemorate all soldiers who served on behalf of this country during the Great War. A wreath-laying ceremony will be followed by a moment of silence at Veterans Square in front of Whitehorse City Hall, which will start tomorrow at 10:45 a.m.

Mr. Speaker, I rise today to mark a special day of remembrance, which is being held tomorrow, April 9. Special ceremonies are taking place across Canada and at Canadian memorials in France and in England to mark the passing of the last known Canadian veteran of the First World War, Mr. John Henry Foster Babcock. Vimy Ridge Day was chosen for this national day of respect, the end of an era in Canadian military history. I ask my colleagues in the Legislature to join me in recognizing the end of an era as well as our annual observance of the Battle of Vimy Ridge.

Mr. Babcock's passing marks both an end and a new beginning — an end because we no longer have a living connection to that most devastating of conflicts where a quarter of a million Canadians were killed or wounded, and the beginning because we now have an additional responsibility to keep the memory alive of this era, of this war and the Canadians who fought so bravely in it. This is for our younger generations.

World War I is often referred to as Canada's coming of age. The sacrifices and contributions of our soldiers and their families at that time changed the way Canada as a nation was viewed in the world, and it marked the end of our nation's innocence. Because of the actions of our soldiers, Canada emerged independent, strong and proud.

The debt we owe our veterans can only be repaid through active remembrance and reflection on their sacrifices. So today we remember, we reflect and, above all, we give thanks to those who gave so much. And tomorrow, on April 9, Yukoners are invited to participate in a special event recognizing the end

of an era in our country's military history by attending a memorial ceremony at Veterans Square, followed by a march to the legislative building to sign a book of reflection.

The book of reflection will be available for Yukoners to sign until April 30, when it will be sent to Ottawa to be displayed, along with other books from the provinces and territories.

We must remember, Mr. Speaker. Thank you.

Mr. Inverarity: I rise today on behalf of the Official Opposition and the NDP caucus also to pay tribute to the end of an era of the brave men and women who fought and gave their lives in the service of Canada in World War I. Canada's last known First World War veteran, Mr. John Babcock, died at the age of 109. The passing of Mr. Babcock marks the end of an era. John Babcock was a symbol of the last years of his long life as part of our history, an era that was billed as "the Great War" or "the war to end all wars." Even though that prophecy did not come true, he was still our last link to the 650,000 Canadian men and women who served in the First World War. John Babcock was the last living member of a generation of veterans we looked up to.

The war they fought in the trenches was completely different from any of the other conflicts that have followed. Canada's victory at Vimy Ridge was the momentum that would carry Canadian corps successfully to the end of the war. The triumph at Vimy and other victories over the final three months of the war were referred to as Canada's 100 days, earning Canada a separate signature at the Treaty of Versailles. This officially ended the First World War, establishing our independence on the world stage with an international reputation as an unwavering champion of freedom and democracy. It was Canada's coming of age.

These young men and women left to fight for their country on foreign soil. They suffered the hardships, injustices and horrors of war and many veterans paid the ultimate price for all of our freedom. It is important we remember the sacrifices and achievements of those who serve for the cause of peace and freedom around the world. Wars have touched the lives of Canadians of all ages — fathers, sons, daughters, sweethearts. They were killed in action or wounded and many of those who returned were forever changed.

We all owe a debt of gratitude to all those who served Canada in time of war, military conflict and peace and who are still serving Canada today. Like the veterans of World War I, foremost they are people, men and women, who serve wherever they are needed. They face difficult situations bravely and bring honour to themselves, to their loved ones and to their country. They are ordinary Canadians who make extraordinary sacrifices for us all.

We would like to encourage all Yukoners, as mentioned earlier, to join with the other veterans and dignitaries to attend the wreath-laying ceremony and the moment of silence at Veterans Square in front of the City Hall tomorrow at 10:45, Friday, April 9. Rest in peace.

Mr. Cathers: I rise today to join my colleagues in paying tribute to — as has been noted, truly the end of an era — the passing of the last known living veteran who served and fought for Canada in World War I. I'd like to join today in paying tribute to him and those who fought for Canada in World War I, and as well to take this opportunity to thank and to pay tribute to all those who have fought to defend our freedom — both in World War I, World War II and the conflicts since and to this very day.

Let us not forget, and let our own actions honour them. Let us not forget that the price of liberty is eternal vigilance, and let us never forget the price they paid for our freedom.

In recognition of National Wildlife Week

Mr. Fairclough: I rise on behalf of the House to pay tribute to National Wildlife Week. National Wildlife Week is celebrated in all parts of the world. In Canada, National Wildlife Week was created in the memory of Jack Miner, who spent his lifetime teaching and speaking on wildlife conservation, environmental techniques and the importance of creating sanctuaries for the protection of wildlife.

We celebrate National Wildlife Week on April 10 of each year to mark the birthday of Jack Miner. The year 2010 has been declared by the United Nations as International Year of Biodiversity, which includes National Wildlife Week with its "Get Wild, Child!" theme.

This is the year to get outdoors and explore nature and connect with the world around you. We live in a world where species and their habitat are at risk every day. Only by raising awareness about our Canadian and, in particular, our Yukon wildlife and the importance of their habitat can we hope to protect our wildlife species and spaces, educating individuals that their actions can and will make a difference.

In the Yukon, we are truly blessed with the wilderness outside our back door. No other place in Canada is home to both Arctic species and southern species of animals. During National Wildlife Week, why not make a visit to the Yukon Wildlife Preserve, Swan Haven, or check out Sheep Mountain in Kluane or the Faro Crane and Sheep Viewing Festival, or participate in one of the many events taking place around the territory.

Step outside, walk through your neighbourhood or the greenbelt area with your family and friends and you will see that nature is alive with the sights and sounds of spring, and you will discover the wildlife that is all around us.

We urge all Yukoners to dare to care, make a connection, explore and embrace nature and the wildlife that surrounds us. Remember, it is our responsibility to protect nature, our wildlife, their habitat, and the world we share.

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

TABLING RETURNS AND DOCUMENTS

Mr. McRobb: I have for tabling an energy-related document direct from the Yukon Energy Corporation filing to the Yukon Utilities Board.

Mr. Elias: I have for tabling the government's multi-year capital plan and the \$34.3-million budget for the new Dawson City waste-water plant.

Speaker: Are there any further documents for tabling?
Reports of committees.
Are there any petitions?
Any bills to be introduced?
Any notices of motion?

NOTICES OF MOTION

Hon. Mr. Fentie: I give notice of the following motion:

THAT this House urges the Government of Canada to recognize Yukon self-governing First Nations as a senior level of government by working with the first seven Yukon First Nations who settled their land claims to develop a new financial transfer agreement that include an economic development incentive allowing Yukon First Nations to retain an appropriate percentage of their own resource revenues.

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

THAT this House urges the Government of Canada to increase its core funding level of \$144,000 for Skookum Jim Friendship Centre, which hasn't been increased for 15 years.

Mr. McRobb: I give notice of the following motion for the production of papers:

THAT this House do issue an order for the return of any documents that demonstrate the Mayo B hydro development will save Yukoners \$20 million per year in fuel costs starting in the year 2012.

Mr. Cardiff: I give notice of the following motion:
THAT it is the opinion of this House that:

(1) Canadian legislation to protect species at risk does not adequately address the needs of all Yukon plant and animal species;

(2) separate Yukon legislation is long overdue; and

THAT this House urges the Yukon government to assign a high priority to the development of a Yukon species-at-risk act so that legislation to protect threatened plant, fish and animal species in the Yukon can be brought forward for debate and adoption during the 2010 fall sitting of the Yukon Legislative Assembly.

I also give notice of the following motion:

THAT the Yukon government review the funding policies for daycare centres with a view to:

(1) averaging the direct operating grant over a year for those daycares with fluctuating seasonal attendance; and

(2) revising the wage subsidy so that it reflects the fact that many daycares must work with untrained staff.

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

Hearing none, that brings us to Question Period.

QUESTION PERIOD

Question re: First Nations/government relations

Mr. Mitchell: In October of 2007, the Premier said his government was living up to land claim obligations and the federal Conservatives were doing the same thing. Moments ago the Premier tabled yet another motion repeating this theme. It would be great if only the reality matched the rhetoric. Locally we have seen this Yukon Party government be very active with First Nation governments, but unfortunately most of it has been in front of a judge. This government has demonstrated it prefers litigation to negotiation. The Premier's federal colleagues in Ottawa have been no better, and they seem to be the problem when it comes to the nine-year review of Yukon final land claim agreements. Negotiations to come up with a new fiscal arrangement have been going on for several years and a new deal has not been reached. The Premier's federal friends recently put the kibosh on the latest attempt to settle this matter. Why can't the Premier get his friends in Ottawa to resolve this issue?

Hon. Mr. Fentie: You know, Mr. Speaker, there's an ongoing theme and problem here for the Official Opposition, who seem to get far out ahead of the facts. For the member to suggest that the only relationship in this territory is in the courts is a direct affront to Yukon First Nations. Considering the progress that Yukon First Nations have made since they first began negotiating their land claims, their self-government agreements, the progress their communities are making, the progress and their involvement in the education system, in correctional reform, in health care and economic development, this member's question is simply out of context to the realities of today's Yukon and I think the member opposite should apologize to Yukon First Nations.

Mr. Mitchell: If there are any apologies due it is the Premier for not being more effective in getting the federal government to complete these negotiations.

On October 25, 2007, the Premier tabled a motion in this House urging all parties to develop a timely process to conclude these negotiations. Today, two and a half years later, he tabled a similar motion. Two and a half years — no agreements signed. The federal Conservatives won't agree. When the Minister of Indian Affairs was here last week — speaking of apologies — the Premier was on the radio acting as an apologist for his federal colleague. It looks like his boast to the federal Tories living up to land claim obligations were a little off the mark, sort of like his \$36-million investment in asset-backed paper.

Instead of spending his time defending his federal colleagues, when is the Premier going to get a deal signed, so First Nations can move forward with better fiscal arrangements?

Hon. Mr. Fentie: Well, the Leader of the Official Opposition is now suggesting that the financial arrangement between Yukon self-governing First Nations and governments is with the Yukon government. Surely, if the member wants to be relevant in the debate and be involved in the debate, he must recognize that the whole arrangement is a bilateral arrangement

between the federal government and Yukon First Nation governments.

Now, the role that the Yukon government has played has been a very supportive one and progress has been made. The suggestions the member is making are simply inconsistent with the progress that has been made today. The issue here is one and one only, and that is the issue of policy that relates to retention of own-source revenues, and the Yukon government's position is clear. It has been clear in the past, and has, once again, been made clear and reaffirmed here in the House today.

We believe that the federal government's policy should reflect the level of governance achieved by Yukon self-governing First Nations, and that is a retention of an appropriate amount, an appropriate percentage, of their own-source revenues.

Mr. Mitchell: The Premier frequently boasts of his close working relationship with Canada's federal Conservative government, but we're not seeing the evidence of it. The Chief of the Teslin Tlingit Council told local media today that the negotiations with Ottawa are stalled and that the federal Department of Finance has refused to sign off on the latest deal. These negotiations have dragged on for years, with no end in sight. The next time the Minister of Indian Affairs is in town, I would encourage the Premier to spend less time arranging photo ops and more time trying to resolve this long-standing issue.

Now, the Premier tabled a motion in this House today, and again, he tabled one two and half years ago, saying that this was a priority, but he hasn't managed to get the parties to sign a new deal with all of his influence in those two and a half years. What efforts has the Premier made to convince the federal Conservative government to sign off on a new deal for Yukon First Nations?

Hon. Mr. Fentie: Well, I guess the short answer is at least the government side is actually making an effort, versus making noise. The member says no progress is being made with the federal government. Let me refer the member to some factual progress. The federal Department of Finance was going to apply a per-capita investment in health care in the north. Well, that has considerably changed, Mr. Speaker, because of this government's ability to negotiate what is rightfully due to Yukon citizens and northern citizens.

Does the member not recognize that our THAF, as negotiated with the federal Finance department, allows for a 30-percent retention? Under former Liberals there was a dollar-plus return to Canada, hardly an incentive. We continue to work with Yukon First Nations on this issue because we believe that Yukon First Nations are a senior level of government — that is the agreement to which the federal government signed on to and that is the agreement that we, the Yukon government, the Yukon Party government and Yukon First Nation governments, will hold the federal government to account.

Question re: First Nations/government relations

Mr. Mitchell: Let's continue with this government's relationship with their federal friends. This Yukon Party government likes to pride itself on this close relationship with the Government of Canada. Whenever there is a minister in town from the Government of Canada, it takes every opportunity to

hold as many love-ins as it can to show this close relationship, yet when it comes down to real issues, this government seems to have a deaf ear turned to them from the federal conservatives.

Mr. Speaker, the federal cuts to the Aboriginal Healing Foundation have a direct effect on our Yukon First Nation populations. These cuts have forced the Committee on Abuse in Residential Schools to close its doors and end the much-needed programming that was being utilized by Yukon First Nation people.

Has the Premier capitalized on this great relationship and asked his good buddies to reinstate the federal funding for the Aboriginal Healing Foundation?

Hon. Mr. Fentie: You know, Mr. Speaker, the member has made reference to federal ministers' visits. Well, at least the federal Conservatives actually come and visit and engage with the public. The last federal Liberal minister who was here — it cost us \$100-a-plate to go see him and that would have been Minister Martin, the Minister of Finance of the day. So I'll leave that for the member to absorb.

As far as the Aboriginal Healing Foundation, Mr. Speaker, does the member not realize that the Healing Foundation itself made the decisions on who got funding? Does the member not realize that there was a Yukon representative on that Healing Foundation and the fact of the matter is that Yukon was left out of that? Yes, we are working on that issue, but the member conveniently ignores this fact: millions of dollars have been placed into Health Canada and into INAC to address further issues that have resulted from the residential school fiasco created by federal governments of the past. So, Mr. Speaker, much work is being done, but the fact of the matter is, the Aboriginal Healing Foundation ignored those very hardworking groups here in the Yukon that were addressing this very critical issue.

Mr. Mitchell: Well, I'm glad that the Finance minister paid \$100 for Mr. Martin's visit, since that was the Finance minister who actually produced surpluses, not deficits, like this Finance minister and his federal cousins.

Now, the Aboriginal Healing Foundation provides funding support to more than 130 groups and initiatives across Canada. In the Yukon, not only would the cuts affect CAIRS, they will also impact several local First Nation women's group initiatives. The non-profit Aboriginal Healing Foundation is run entirely by aboriginal people. These people have special relationships with their communities, and therefore they understand the needs of these communities.

Now, this Premier and his colleagues hold barbecues to promote their supposedly great relationship with their federal friends, yet they're obviously being ignored when it comes down to substantive issues. What representation has the Premier made to his tight-knit counterparts in the federal government to continue this much-needed program funding?

Hon. Mr. Fentie: Well, here we have the Leader of the Official Opposition actually suggesting that the former federal Liberal Finance minister produced surpluses. Here are the facts. The former federal Liberals off-loaded the federal deficit on to the provinces and territories. That resulted in a five-percent cut to Yukon's base grant. Mr. Speaker, that resulted in the Yukon

Territory's fiscal capacity being around \$400 million. Our negotiations with the federal Conservatives have resulted in budgeting of a billion plus dollars. I think the arithmetic is pretty simple. We'd much rather be working with a government that recognizes federal deficit should not be off-loaded on provinces and territories.

Mr. Mitchell: This Finance minister boasts of having a billion dollars plus in revenue in budgets and still runs up a deficit. Minister Strahl stated that the Aboriginal Healing Foundation has done good work, but it was never meant to be a permanent policy, a permanent service deliverer of the federal government. Well, has the Premier informed the minister that the work is just getting started and that there's much more work to do?

This really is not the opportune time to end the funding of this much-needed foundation. Maybe it can't carry on forever, but before funding is cancelled, there should be something equal or better in place. This is not currently the case, Mr. Speaker, and that's why it's imperative that the Premier stop whispering sweet nothings in his federal counterpart's ears and actually send the message of what is needed for Yukoners.

Why has the Premier not used his special relationship with Ottawa to convince his counterparts to continue the much-needed funding for the Aboriginal Healing Foundation?

Hon. Mr. Fentie: I don't think the Leader of the Official Opposition understands even what a deficit means in its simplest terms. So let me help the member understand that. The fact of the matter is that a deficit means when your liabilities are in excess of your assets. That's not the case in the Yukon, Mr. Speaker. In fact, we have a net financial position of some \$69 million. Furthermore, if the Yukon today were to extinguish all its liabilities — and this comes down to that definition of "deficit" — if we extinguish all our liabilities, we'd still have that \$69-million net financial position. Mr. Speaker, there are only two jurisdictions in Canada today that have net financial resource positions versus net debt, and those are Alberta and the Yukon. The member opposite should go to budgeting 101.

Question re: Watson Lake daycare

Mr. Cardiff: I am going to direct my question to the Premier who is the MLA for Watson Lake. Members of the Watson Lake Daycare Centre Society had their annual general meeting last week. Can the MLA for Watson Lake give us an update on what happened at that meeting?

Hon. Mr. Fentie: Well, Mr. Speaker, this government is very pleased by the amount of work we've done in Watson Lake when it comes to a daycare, including providing fiscal resources to build a facility.

As far as what transpired last night, the member knows I wasn't there; I was here. We will continue to work with all daycare societies across the territory, based on the regulations and the policies that we have in place, and that includes a significant increase in the fiscal resources available to get daycares across the Yukon. So, I'm hoping that helps the members opposite.

Mr. Cardiff: Actually, the meeting was last Thursday night, not last night. Obviously, he doesn't know what's going

on in his own constituency. But we'll tell him a little bit about what's going on there. The daycare has been closed for two years. It has been on the verge of dissolution, but fortunately, at their AGM, they were able to find new board members who are going to try to carry on that struggle to find enough funds to reopen the daycare.

Over three weeks ago, the Watson Lake daycare sent a letter with a proposal to the Premier. He has not replied to that proposal, and it's not the first letter that the Premier has received about this issue. As he said, they've invested several hundred thousand dollars in capital construction for the daycare, which is not being used for the purpose for which it was built. It reminds me of a certain other building in the Premier's hometown. What is the Premier's response to the proposal from the Watson Lake daycare?

Hon. Mr. Fentie: The response is quite simple: it has been put into the appropriate hands to deal with.

The facts of the matter there are ample resources available for a daycare in Watson Lake and daycares across this territory. In fact, we've increased in total — if we run to the end of the five-year term that we've implemented increases for, some \$5 million will be increased in overall daycare fiscal capacity in the Yukon. But there are requirements that we all must meet. The proposal as presented by Watson Lake will be given due diligence and we will respond accordingly.

Some of the member's comments, however, have nothing to do with daycare and children; it's just something that the member feels makes sense. It doesn't to parents who need daycare.

Mr. Cardiff: Mr. Speaker, the Premier — I can't even respond. Watson Lake joined several other daycares that have come to the point of closure and many have closed in the past. Closing a daycare has very serious consequences in small communities. Parents have quit their jobs or taken part-time work to make sure their children are cared for. That raises unemployment and social assistance rates. Communities have lost families who have moved away because of the lack of childcare and that affects the local economy. Even worse, some parents have no choice but to put their children in danger with unpredictable babysitters who may not properly care for them.

While this government is building hospitals in Watson Lake and Dawson, nurses are moving away because there is no daycare. What are the Premier's plans for supporting families who need daycare in Watson Lake and Dawson City?

Hon. Mr. Hart: With regard to daycare facilities in Watson Lake, we have been working with that facility through Health and Social Services and also through the Department of Education, and we're also working with the First Nations in that area on trying to deal with the situation of providing daycare services for the citizens of Watson Lake.

We have asked the citizens to look at revitalizing the board that was down; the member opposite has indicated that. We will be looking at the results that come out of the discussion with the board and we will be working with the appropriate departments to ensure that we can look at coming up with some sort of venue in which we can provide daycare services for the citizens of Watson Lake and we'll be doing that in cooperation

with the First Nation and the Department of Education and the Department of Health and Social Services.

Question re: Watson Lake daycare

Mr. Cardiff: When a community has a daycare centre, it provides real stimulus to the community's economy and their social well-being. The availability of daycare means less unemployment. It decreases the need for employment insurance and social assistance costs. It enables teen parents to attend school and become trained employees. It increases the health and well-being of children, families and the whole community.

The Council of the European Union in the *Joint Report on Social Protection and Social Inclusion 2010* strongly supports accessible, affordable, quality childcare. Considering the new social inclusion approach of the government, which of these objectives does the Premier and the Minister of Health and Social Services not endorse?

Hon. Mr. Fentie: I think the member's reasoning and rationale is exactly why the government has increased daycare in the DOG, the direct operating grant; why the government has increased wage availability for daycare workers; and why the government has placed such a high priority on daycare across the territory.

So I agree with the member on all his rationale for why daycares are important, and that's why the government has done what it has done — dramatically increased the investment in daycare for Yukon.

Mr. Cardiff: It doesn't help when the daycare in Watson Lake has been closed for two years. Everything they've done doesn't help. Part of the problem is that if they did support it, we want to know why childcare workers get paid such low wages. Some start at \$11 per hour. Qualified staff quit because they can get better pay as chambermaids or waiters.

The policy of this government for the payment of a wage subsidy to employees of daycares is based on the range of training that employees have. There is a zero subsidy for entry level employees. Many daycares operate with entry level workers since many of the workers are not able to take training — probably because they can't get child care. That means many daycares don't get much for wage subsidies, and they work with untrained staff. That means that many daycares end up closing for the lack of funding.

Will the Minister of Health and Social Services commit to reviewing the wage subsidy policy for daycares?

Hon. Mr. Hart: Mr. Speaker, I thank the member opposite for the question. As I stated earlier, and as the Premier has indicated, we have provided a substantial amount of monies toward daycare in the Yukon. We made a commitment of \$5 million over five years to providing and assisting and enhancing services for daycare. We committed that, and we have done it. We are in that process. As I indicated previously, we are working with the individuals in Watson Lake to try to rectify the situation that is there. It is a situation that was brought up in our community visit with the First Nation. It's something that we're working on with the school in that area, and we're also working with the citizens in that area to try to improve that situation so that we can enable the citizens of Watson Lake to have a daycare.

Mr. Cardiff: We all know that some communities in the Yukon depend on a seasonal economy, based on mining or tourism. The direct operating grant for daycares depends on the daily attendance rate for children in their care. In the summer, the number of children is adequate to meet the expenses of the daycare. It's a different story in the winter. The Dawson daycare has announced the closure because of low attendance, and therefore lack of revenue. Start up in the summer will bring its own problems of finding new staff. Will the Minister of Health and Social Services consider basing the direct operating grant on the average attendance rate over the year, to support daycares that are located in communities with seasonal employment.

Hon. Mr. Hart: For the member opposite, with regard to the Dawson facility, I'm aware of the situation with regard to the one daycare facility. We were advised by the owner of that facility of why they were considering closing. That is because of, as the member opposite indicated, lack of numbers with regard to their facility. But, it's also due to the fact that she was not able to increase the size of her facility to accommodate additional children to that facility to make it more economical for her to operate. As such, she made a business decision to shut down that facility and move forward, rather than operate at a loss.

Question re: Mayo B project

Mr. McRobb: Mr. Speaker, the Premier has frequently challenged us to table evidence. Yet when we do that, he often refuses to acknowledge that evidence. Earlier today, I tabled evidence. To ensure we're on the same page, I'll send a copy to the Premier now and walk him through it. This evidence is directly from YEC's application to the Yukon Utilities Board on the Mayo B project. I direct the Premier to what is page 14, which contains the chart. Does he see the underlined part that reads, "These annual savings start at approximately \$3.8 million in year 1?"

Does the Premier see that, and how does he reconcile that number with his use of \$20 million in year 1, which is 2012?

Hon. Mr. Fentie: Mr. Speaker, evidence and the Member for Kluane's view of evidence — real evidence — are two different matters. As far as the member's question, that has been answered on a number of occasions.

We've presented to the Member for Kluane clear evidence that the Yukon Energy Corporation has, for a number of years now, been presenting this very important challenge to the federal government, to this government and to the Yukon Utilities Board. The whole issue around investing in Mayo B is based on the fact that we are growing. The member's position is based on there being no growth. So here is a surprise for the Member for Kluane. We are growing and those projects show that supply/demand is ever increasing. The Yukon Energy Corporation presented to Canada the fact that, by 2012, there would be this increase of about 70 gigawatt hours of electricity needed resulting in 50,000 tonnes of annual greenhouse gas being emitted and, incrementally, diesel generation costs would be \$20 million or more per year. But these facts were also presented to the Yukon Utilities Board vis-à-vis the Yukon En-

ergy's 20-year resource plan. This was reviewed and approved by the board.

Mr. McRobb: Mr. Speaker, I now direct the Premier to the other page in the evidence, which is page 13 from Yukon Energy Corporation's application to the board. Does the Premier see the underlined part which says, "with three industrial loads: Minto and Alexco and Carmacks Copper mine, are soon to be connected in 2012." Yesterday the Premier alleged our figures did not include industrial loads. YEC's information, which is our evidence in this matter, in fact includes all foreseeable industrial loads for 2012.

Does the Premier now acknowledge that Mayo B will only offset \$3.8 million of diesel cost in 2012, and this is with industrial loads?

Hon. Mr. Fentie: Let me refer the Member for Kluane to the project overview of Yukon's green energy legacy project. As submitted by — yes, here it is, Mr. Speaker, the Yukon Energy Corporation, No. 2 Miles Canyon Road, Whitehorse, Yukon. This application and presentation resulted in a \$71-million investment by the Government of Canada. I repeat: these values — these realities — were presented to the Yukon Utilities Board, the same board the Member for Kluane likes to refer to here. These values were acknowledged, after presentation to the board, and the Yukon Utilities Board, back in 2006-07, reviewed and approved all the facts that were presented through the Yukon Energy's 20-year resource plan.

There's absolutely no point in arguing with the Member for Kluane. The government side worked with our Energy Corporation and the federal government. The result: \$71 million of investment from Canada and more hydro infrastructure for the Yukon.

Question re: Mayo B project

Mr. McRobb: All week so far the Premier has been in denial of his use of inflated figures that glorify the Mayo B project. Although, it is important for any government of the day to ensure its numbers are correct, especially when communicating them to the public, this matter has escalated beyond a dispute about numbers and is now about the very creditability and character of this Yukon Party regime. I would caution the Premier about continuing down his path any further. Yukon Energy Corporation officials will appear in this House on Monday afternoon, and they will be asked to verify this very information.

Yesterday, instead of admitting his numbers were grossly inflated, he treated us to some out-of-context excerpts from Yukon Energy Corporation documents. Why did the Premier choose to reference the total diesel forecast instead of the issue at hand — possible diesel savings for Mayo B?

Hon. Mr. Fentie: We all know the Member for Kluane has a difficult time understanding savings when it comes to using diesel to produce electricity. We're all aware of that — Yukoners are aware of that. There are multiple documents produced by the Yukon Energy Corporation that speak to the very same matter, including public documents — documents put into the public, not only by the Energy Corporation, but by the Government of Canada, which expresses the very same factual elements and values. Once again the Member for Kluane has

stood up and made inferences about character and credibility. I'll let the Yukon public judge where that issue really lies.

Mr. McRobb: Let's take stock of the facts. One: the Premier's budget speech said Mayo-B would save \$20 million per year in diesel cost, starting in 2012. The Yukon Party government repeated that several times on successive days. Two: Yukon Energy Corporation's numbers, as filed with the Yukon Utilities Board, are only \$3.8 million in 2012. Three: Yukon Energy Corporation's numbers include three industrial customers and enhanced Mayo storage. Four: when confronted with this situation, the Premier refused to admit his mistake, fired accusations at the Opposition and confused the issue with unrelated numbers. Five: for the record, the Premier's numbers yesterday were not for the Mayo B savings at all; he had referenced the total diesel forecast. Mayo B could only offset a fraction of that amount.

Does the Premier really believe Mayo B will displace YEC's entire diesel forecast?

Hon. Mr. Fentie: Mr. Speaker, the one thing we do know that those who are very efficient at cutting and pasting tend to try to express to Yukoners something that they believe, I suppose. What the government has done is involved itself with our Energy Corporation — our public utility — in addressing a challenge that the very public utility brought forward, and that is the challenge of growth and increased demand of supply. That was presented as far back as 2006-07 to the Yukon Utilities Board itself. I'm going to repeat, at the risk of being repetitive, what was presented and that includes what was presented to the federal government as far as the green energy legacy project. Let me read, and I quote: "Without additional infrastructure, Yukon Energy's annual diesel generation by 2012 to meet new mine..." and I emphasize "new mine" "... and other growth will jump from minimal levels today to over 70 gigawatt hours resulting in 50,000 tonnes of annual greenhouse gas emissions and incremental diesel generation costs of \$20 million or more per year."

Mr. Speaker, I would repeat, "\$20 million or more per year" presented to Canada, presented to the Yukon Utilities Board, in the public, through press releases and other public documents from the Energy Corporation. Mr. Speaker, it is a good investment. It will save Yukoners a great deal when it comes to their rates.

Mr. McRobb: Mr. Speaker, the Premier again just read Yukon Energy Corporation's total diesel forecast, not the Mayo B savings, which is the issue at hand. Mr. Speaker, this is unbelievable. Earlier on I said this issue has escalated beyond the numbers and it now speaks to the credibility and character of this Yukon Party regime. Let the record speak for itself. Yesterday the Premier refused to table his calculations. So much for this government's repeated promises to be open, transparent and accountable. What is really obvious is they are all in it together, again. Just like in the ATCO scandal, when all remaining Yukon Party MLAs backed the Premier's secret parallel negotiating process to sell out Yukon's energy future to private interests from Alberta. For the record, is there not anybody on the government side who will stand up this time for what is right?

Hon. Mr. Fentie: Every day the members on this side of the House actually stand up for what is right, and thank goodness we do, because the Yukon would be in a terrible position if the view and opinion of what is right by the members opposite actually prevailed in today's Yukon.

So I think what's really at issue here is that the members opposite have a problem with the fact that the Yukon Party government actually created the partnership with Canada, actually worked with our Energy Corporation — to do what? — invest in infrastructure, not sell it. And what else does that accomplish? It allows more customers to come on the grid; it connects our Whitehorse-Aishihik-Faro grid; it provides more stable, green energy for Yukoners, and it also reduces our carbon footprint.

That's really the problem here — the Official Opposition is somewhat peeved that the Yukon Party government continues to deliver while they languish in the rear.

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

ORDERS OF THE DAY

GOVERNMENT MOTIONS

Motion No. 1011

Clerk: Motion No. 1011, standing in the name of the Hon. Ms. Taylor.

Speaker: It is moved by the Government House Leader

THAT Ray Hayes, chair of the Yukon Development Corporation Board of Directors, and Dave Morrison, chief executive officer of the Yukon Development Corporation, and president and chief executive officer of the Yukon Energy Corporation, appear as witnesses in Committee of the Whole from 3:30 to 5:30 p.m. on Monday, April 12, 2010, to discuss matters relating to the Yukon Development Corporation and the Yukon Energy Corporation.

Hon. Ms. Taylor: The motion that is before us today is really, effectively, of a housekeeping nature. It is a commitment that our government endeavours to undertake each year, and we are very pleased to have these respective officials appear before the Legislature, coming up on Monday. We certainly look forward to receiving the unanimous support of all members of the Legislature in this regard, and having, in the spirit of openness and transparency, a full and wholesome debate on Monday. Thank you.

Mr. McRobb: Mr. Speaker, I'll start by arguing against what the Government House Leader just put on the record. This is not a housekeeping matter at all. It's about this government taking liberties with the tradition of this House. We all are aware that Yukon Energy Corporation officials traditionally appear annually before members of this Assembly.

This did not happen in 2009, even though officials were prepared to appear before members in this Assembly. The excuse given by the government at the time was there was a new

chair who had not yet been briefed to the point to be able to answer opposition questions. We responded to that allegation by committing to not asking the new chair any questions, but instead, to direct all our questions to the corporation president.

The Yukon Party did not agree and still would not let these officials attend. Essentially, we called the government's bluff; they folded. That's the bottom line.

Why did the government not allow Yukon Energy Corporation officials to appear before members last fall? Well, that's subject to speculation, but what we do know is there was a lot of public outrage and controversy including discussion in this Assembly about the Premier's secret parallel negotiating process to sell Yukon Energy assets to private interest from Alberta. At the time, we asked for investigations. We asked for testimony.

Mr. Speaker, what has there been so far? The answer is, no investigations; nobody has been called before any committee to speak to this matter. Mr. Speaker, this Yukon Party government has been allowed to skate away from this whole issue without being held accountable. By not allowing these officials to appear before members last fall, it simply took liberties with a past tradition of this House to ensure these officials appear before members each and every year.

Mr. Speaker, this truly is an outrage and we are aware the rules of this House are currently going to be reviewed by Yukoners and suggestions made. I would suggest, Mr. Speaker, that members within this House should also identify some matters to be changed, and one of them is to prevent any future government from doing what this Yukon Party government did last fall — to break with tradition, to merely avoid public accountability. I rest my case.

Mr. Hardy: I find it interesting that there was a case that was being presented here.

I can't necessarily agree with the rhetoric I just heard, though I can understand where the anger — disappointment — comes from, because we've all expressed it through many years of being in the Legislative Assembly. One of the problems that the NDP has, of course, is two hours is not enough time to be able to engage with the people who are supposedly in charge, hired, as well as put on the position of the boards, who are representing the people of Yukon. There's not enough time to engage with them to find the full scope of work that's being done under Yukon Energy Corporation, under Yukon Development Corporation.

It's not just about Mayo B. It's not about secret deals. It's about the future of the territory. Two hours will not be sufficient. If anything, I would hope that this government would be willing to extend that sitting on Monday, if the opposition, or even members of the Yukon Party government, wish to continue the engagement, questioning the people from Yukon Energy Corporation. That would serve the people of the territory far better, and it would make the job on this side a lot easier.

I do want to say that I am pleased that they are finally coming forward and, like the member who just spoke before me from Kluane, I believe that all boards — all boards that we need to question on behalf of the people of the territory —

should come before this Legislative Assembly every year. I think everybody in the Legislative Assembly on this side accepts that and hopefully when they are elected as a government they will make that part and parcel of the future of the territory. It's a better representation and it's a greater democracy than what we have today.

Maybe we will see that kind of recommendation come forward in the legislative renewal analysis that will happen over the next year but, if not, it would be good if that pledge was made by all parties in the next election and that change was made as soon as possible.

Without getting into the frustrations that we have felt on this side — and that my colleague before me has articulated — too deeply, I just want to say I'm glad that they're going to be here; two hours is definitely not enough, frankly, but on this side the opposition will do the best job they can to ask questions that the people of this territory have asked us to ask.

Hon. Mr. Fentie: Mr. Speaker, first off, speaking of tradition, this is quite interesting, the response from the Official Opposition on a matter that they have been bringing forward for quite some time. When it comes to respect of others, the members know full well that the government side sat down with the parties, under the circumstances, explained the situation — and for the Member for Kluane to make references about officials and those who choose to serve, who actually came forward and said that they have a lot of work to do to get orientated and to get up to speed on all matters of these corporations, which is understandable under those circumstances. That was presented to the members opposite and, through that discussion, the members opposite were informed that in the spring we would be bringing the corporation representatives before the House as witnesses.

So a lot of what was said by the Member for Kluane does speak to an issue that appears as an ongoing theme with the Official Opposition and has to do with their view of public servants and people who choose to take on responsibilities, such as serving on boards like the Yukon Development Corporation. There have been far too many examples — far too many examples — of how the Official Opposition approaches this matter, whether it be Finance officials — and recently suggesting that those officials would actually allow themselves to be forced into putting numbers and values into the Yukon's territorial budget that are not consistent with fact is an affront to their professionalism and their integrity. There are other examples. There's the Googling of government employees; there are examples of accusations of hiring offices in places where there was no such thing going on — and the list continues on and on.

The fact of the matter is that the Member for Kluane and the Official Opposition have a job to do. The witnesses will be before the House and they can ask their questions, of course, at will. That is their job.

But some of the statements by the Member for Kluane have nothing to do with this motion and the relevance of the process that we are embarking on. As far as tradition, it's also a fact that, historically, these witnesses have come before the House in a very similar if not the exact same timeline. That's

the way things have been for some time, Mr. Speaker. We are following exactly what has been transpiring in the past to the extent possible, given the fact that circumstances change and time moves on, and we are doing that, Mr. Speaker.

Furthermore, the members, especially the Official Opposition, are referencing accountability. Well, I ask the Official Opposition then: how do they explain the fact that an energy corporation that once was not ATIPPable now is, by legislation this government has brought forward?

Mr. Speaker, there's a lot of inconsistencies with what the Member for Kluane presents to this House. As far as the representations from the Third Party, I understand the member's concern about time, but once again, I must reference the fact that we're following what has been practised for quite some time in this House.

Surely the members, given all the discussion and all the wild accusations that have been transpiring from the benches opposite for some time now, must have their questions ready.

Some Hon. Member: (Inaudible)

Hon. Mr. Fentie: Uh oh, now I hear — I'm going to break from normal practice, and I'm going to respond to the kibitzing off-mic. It wasn't that long ago that the Official Opposition was vilifying the former chair of the Yukon Development Corporation and making accusations of double-dipping. Now they pack that former chair around on their shoulders. It just demonstrates, again, this continuing theme of the Official Opposition's inability to grasp fact and to present themselves as a reasonable alternative to anything, never mind a reasonable alternative to government.

As far as the Third Party, I would hope that they are also ready with their questions. We did inform all members that these witnesses would be before the House this spring. That was some months ago. Surely, work has been done in those offices to prepare. The members all knew that this would happen in the spring sitting, so some of the statements about time and accountability and transparency don't really fit with the facts.

Now, to go on — I've witnessed many, many instances where witnesses before this House have presented information by questioning from members, and the members opposite will receive the same thing again, and will continue to have that availability going forward into the future. This is kind of an interesting approach by the Official Opposition in the comments. I sense a lot of uneasiness by the Official Opposition to go before these witnesses. I can understand why; they've said a lot in the last number of months. However, I'll leave that to them. That is their issue to deal with.

But, at the end of the day, I would hope that the Official Opposition is professional, recognizes the fact that there must be respect for all individuals — especially those who choose to serve — that we hope will be forthcoming from the Official Opposition.

We can then hopefully move the Official Opposition beyond the way they approach these matters when it comes to people — officials, government workers and others who tend to do their job and then are taken to task by the Official Opposi-

tion for reasons far beyond what we would know on this side of the House or what the individuals themselves could understand.

I think, Mr. Speaker, that this is very timely. The boards have been busy, of course, but they have had their meetings, they have prepared themselves. Even the hearing today for the Yukon Utilities Board should be wrapping up, so this is a very timely situation.

We did bring the witnesses in very, very early in this sitting. Again, referencing past practices, normally witnesses are brought in much closer to the end of each sitting. We have done everything on the government side to ensure we accommodate the opposition here in this House, and I would hope that they do everything from their perspective in accommodating witnesses who come before this House.

We'll be watching closely to see how all that unfolds.

Mr. Mitchell: Well, I listened with great interest to the Premier's discourse just now. I won't call it debate because I don't think he actually refuted a single point that was made by either of the members on this side of the House in their addressing this issue. First of all, I'd like to address the very sort of strange idea that the Premier seems to hold where he thinks that calling in opposition members, calling in opposition leaders, and saying, "Come to my office and let's meet," is equivalent to reaching agreement.

Calling someone to one's office and telling them that this is what's going to happen, that officials will not be made available because they're too busy or they haven't been on the job long enough, and hearing strong disagreement from opposition members, does not mean that there was an agreement or an understanding. It simply meant that we understood that the Premier was not prepared to have these officials testify. That's what it meant. That's what we can agree to.

Perhaps that's an example of how this Premier views negotiations and accommodation of others. Perhaps that's why he has such an incredible track record as the all-time leader in ending up in court with First Nations, because that's how he negotiates and accommodates.

Now to the matter at hand, the facts of the matter are, while the Premier was talking about how early in this sitting these witnesses are going to come forward, the Premier must believe in a 15-month year, because we're three months beyond 2009 when they never testified — four months coming up — before this House. The tradition is not to come in front of this House early in the spring sitting every second year; it's to appear every year, Mr. Speaker, not when it happens to be convenient for the Premier.

As far as the chair being new to the position, first of all I would remind the Premier that the chair of the Energy Corporation has for many, many years served in very high positions under a succession of governments and I think was fully capable of holding his own during any questioning.

Nevertheless, as my colleague from Kluane said, we in the Official Opposition were perfectly willing to address our questions to the president. The president of YEC and YDC has been in that position for quite a number of years. Surely the Premier didn't think that suddenly the president would go mute because

there was a new chair and would be unable to answer any questions.

So, we don't really think it had anything to do with how busy they were with an upcoming board meeting, considering the fact that the Premier himself has just made reference to the fact that these officials have been busy all week this week at a Yukon Utilities Board meeting — probably one of the busiest times of any year for these officials, but now they can be available next week. They weren't attending a Yukon Utilities Board meeting last fall when we wanted them to appear in November or December, so the Premier makes no points whatsoever.

In addition, the board, at the time, still had, I believe it was, four remaining board members — three First Nation members and the acting chair — until the new chair had been appointed — who had previously been the vice-chair. So the expertise was there; there was no lack of expertise. There was no inability to be prepared. I sincerely doubt, as the Premier would like to cast aspersions on officials and suggest they were not prepared or not capable of coming forward. We on this side have every confidence that the officials were fully capable of coming forward had they been allowed to do so.

Certainly, as I have said, the president of the corporation had every ability to come forward. Finally, to suggest that we attacked the former chair — what had been done is the Member for Kluane had asked whether the government was following its own regulations at the time and how it paid members on the board. We didn't attack the chair; we didn't attack the chair's integrity; we didn't question the chair's diligence; we asked whether or not the government had followed its own regulations.

Since the Premier has talked about members on this side carrying a chair around on our shoulders — which sounds like a somewhat uncomfortable exercise; perhaps the Premier could explain how that is done — I will just remind the Premier that it is the chair and three other board members who resigned last year because they could not tolerate the Premier's secret dealings, secret negotiations and political interference.

If that wasn't enough, then the Member for Lake Laberge, who was serving at the time as the Energy, Mines and Resources minister, who surely would have known what was going on, Mr. Speaker — he too resigned because he couldn't tolerate the interference.

So the Premier should tread very carefully when he suggests that members on this side of the House would be ill-prepared to ask questions. We were prepared to ask questions last fall; we are certainly still prepared.

To answer the question — I don't often get to answer questions on the floor — from the Leader of the Third Party: yes, we in the Official Opposition would be more than happy to extend hours Monday next, so that there is sufficient time to question these officials or, for that matter, to have the officials return the following day to carry forward. Let's get right at it. Let's get lots of answers to lots of questions about what has gone on with Yukon Energy Corporation, and what the Premier's role has been. Let's get answers about what the numbers mean from Mayo B — not a problem for us.

Finally, yes, if the Official Opposition were in government, we'd ensure that the officials testified every year, not only every second year or whenever it happened to be convenient for the government side, because there is no harm done in shedding light on issues to any government unless they feel they've done something wrong.

Mr. Cardiff: Just in the interest of cooperation regarding some of the comments that have been made here — and obviously I don't have a written amendment on the floor — but I will propose what I would hope to be a friendly amendment.

Amendment proposed

Mr. Cardiff: I move

THAT Motion No. 1011 be amended by deleting the reference to "3:30 p.m." and substituting "2:30 p.m." for it.

Speaker: The amendment is in order.

It has been moved by the Member for Mount Lorne

THAT Motion No. 1011 be amended by deleting the reference to "3:30 p.m." and substituting "2:30 p.m." for it.

Mr. Cardiff: I think the amendment is fairly straightforward. Given the fact that so much time has elapsed between the appearances of the Yukon Development Corporation and the Yukon Energy Corporation, there are many questions that need to be answered and, given that they are available on Monday afternoon, we're just asking if they could make one more hour of their time available to Members of the Legislative Assembly. It makes sense to me, if the government is willing to be open and accountable, and to have the questions answered, that they would be agreeable to a friendly amendment such as this.

Mr. McRobb: I'll just speak briefly to this. I'm a supporter of the proposed amendment now on the floor of this Assembly. Originally I would have thought 2:00 p.m. would be even better — that way we don't try to squeeze in some other business between the conclusion of Question Period and having the Yukon Energy Corporation officials appear.

In the interests of saving time, I will simply support the proposed amendment. Given the several months that have elapsed from when the officials should have appeared before this Assembly, it certainly warrants the extra time this would provide members in questioning.

I would also point out that this is a very unique time in terms of the history of the Yukon Energy Corporation. It is currently undergoing a regulatory review for the most expensive capital project in the history of the corporation. There are all kinds of questions around this project.

There are also several questions around other related energy issues, such as power rates, cost of service, governance issues — and we all know about some of those issues that have been referenced by earlier speakers this afternoon — and of course the Premier's secret parallel negotiating process to sell Yukon's energy assets to private interests from Alberta.

There is no shortage of very serious issues to discuss and I would add that, given the lack of objectivity, the lack of an-

swers during other opportunities, such as Question Period, we've witnessed several questions asked of the government now about one simple number, yet have we got an answer? No, Mr. Speaker, we haven't. I've almost reached the point where I think it's hopeless to try to ask the government members for a simple answer to a simple question.

Therefore, I place much higher value on these limited opportunities that are supposed to occur every year, in which we can question officials from the corporation itself. These encounters are always productive. The officials always undertake to answer the questions to the best of their ability. They don't fire back accusations. They don't skate away from the issue. They will answer questions to the best of their ability, and I'd say it would do this House a lot of good if we had more of that and less of what we saw today.

Hon. Ms. Horne: I have to stand to address this amendment. Unlike the previous Liberal government, which ignored the Yukon Utilities Board, our government values the contribution that the Yukon Utilities Board can make to our hydro policy. We demonstrated that appreciation by calling for their review of the project.

Our government instructed the Yukon Utilities Board to review the Carmacks-Stewart Crossing hydro line and spur line to the Minto mine. It was the first time the Yukon Utilities Board has ever undertaken a part 2 review, and that was requested by this government, not the Liberal regime.

Some Hon. Member: (Inaudible)

Speaker's statement

Speaker: Order please. Member for Kluane, please respect the rules of this Assembly. When another member is speaking, remain quiet.

Minister of Justice, you have the floor.

Hon. Ms. Horne: There is a very good reason why Yukon Utilities Board did not appear as witnesses during our last sitting and this was explained. We had new board members. You know, that's the reason. They are here now and we're arguing about them appearing here. We are arguing about an amount of money. You know, where is the logic here?

There was attacking by the opposition of the chair of the Yukon Utilities Board. There were accusations of double-dipping, of something shady going on — the chair of YEC — and, you know, this government has never told any board member what to vote on, what to say or any employee, telling them they cannot write letters to a newspaper. Do we do that? No. We have an open, accountable government.

And it was raised by members opposite, that the members, the MLAs, are not honest, that we are followers, that we don't have our own minds. I was elected to represent the Yukon people — more importantly, my constituents of Pelly-Nisutlin. I am honoured to represent them. I don't answer to the opposition. I answer to my constituents and I take that job very, very seriously.

I don't say much in this House, and when I first came in here I said I was honoured to be here. Am I honoured to listen to this garbage that goes on in here? Let's raise the decorum in

this House. Let's get something done. Let's have constructive criticism —

Unparliamentary language

Speaker: Order please. Making reference to debate in the House, although controversial from each side's perspective, as "garbage" is not in order. The Minister of Justice still has the floor.

Hon. Ms. Horne: My apologies, Mr. Speaker. I think the point I'm trying to get at is, let's have some decorum in this House. Let's get business done. We're discussing a billion-dollar budget this year, and what are we bringing forward? We're arguing about a board coming before us. Let's get together and work together as we should be doing.

Speaker: Are you prepared for the question on the amendment?

Mr. Mitchell: Just very quickly on the amendment — just to correct the record. We haven't asked for the Yukon Utilities Board to come in here. The Utilities Board, to my knowledge, has never been here and it would be inappropriate, being a quasi-judicial body. The request was for the Yukon Energy Corporation and the Yukon Development Corporation president, and the chair of the Energy Corporation to be here.

I would have to disagree with the Member for Pelly-Nisutlin that, despite the fact that we have a \$1-billion budget in front of us, there's not much question that budget is going to pass, Mr. Speaker, regardless of the questions that are asked by this side of the House. Having the chair and president of the Energy Corporation — which impacts and affects virtually every Yukoner's life on a daily basis, other than the odd person who lives off-grid, — appear before this House and testify and answer questions is of the utmost importance. I would suggest it's every bit as important as debating the budget.

So I would just like to say that I heartily support the amendment of the Member for Mount Lorne and, in fact, I only wish it were longer than three hours. I'm sure since the Member for Pelly-Nisutlin talked about being honest and wanting to get good, high-quality debate in this Assembly, she too will support it in the interest of that occurring.

Mr. Cathers: I will rise briefly in support of this amendment.

I thank the Member for Mount Lorne for tabling this and I think it's important to recognize that with such a massive project going on — the Mayo B project being the largest project in the corporation's history — plus the delays since officials from the corporation last appeared in this Assembly, it is beneficial to have them here for a little longer than they normally are to answer technical questions related to matters that fall within their jurisdictions.

The extension is not a massive departure from past practice. It's not replacing the two-hour practice with 10 hours of debate. It is a moderate increase, and considering the long delay since the chair and president last appeared before this Assembly and the major questions that relate to this massive con-

struction project, it is a beneficial amendment and I fully support it.

Speaker: Are you prepared for the question on the amendment?

Hon. Mr. Kenyon: I just wanted to inject a few thoughts into the debate here. There are a number of things, I think, on this to consider. I can see the reason for the Member for Mount Lorne wanting to extend the amount of time since the Member for Kluane will likely, as usual, dominate the discussion and leave no time for the Third Party to ask any meaningful questions. That has been a consistent problem in the past.

The comment by one of the previous speakers, who referred to the odd people who live off the grid; frankly, they're some of the most grounded people I've dealt with in the Yukon. I expected the Member for Lake Laberge to take him on for that comment. I wanted to make that point.

But what worries me, Mr. Speaker, is the comment from the Member for Kluane, who talks about the fact that the witnesses who come from the corporations are informative, polite, and answer questions, contrary to I think what people really think of. When you precede a question by a minute and a half of insults, it becomes difficult to really speak meaningfully to it. And, usually, those insults aren't hurled at the bureaucrats and the bureaucracy, and appropriately so.

I do have some humour, though, with some of the things that have appeared in this House. I mean, this is a member who made claims that we were hiring people out of an adult warehouse, and who claims that a sink had been installed in a minister's office. I challenge him to come up and point out that sink. We haven't been able to find it yet. We've been looking for eight years. So I kind of wonder how liberal this individual can be with comments and supposed facts.

I was pleased the other day, however, Mr. Speaker, that the Leader of the Liberal Party started using the word "certainty" and that is a word that, of course, has great historical significance for the Liberal Party. It was the previous leader who called an election quickly in order to get certainty. Of course, the certainty was to have the party virtually wiped out.

I will comment on the fact that three people resigned from the board, after using, as evidence, a sale being put in the background there by this government. The documents that were tabled as evidence state there was no sale of assets, no tampering with pensions, no change in staff and personnel and yet, it is continually pointed out by the opposition and by the media as being evidence. Frankly, it is evidence in the other direction.

But I do draw to the attention of members opposite the day that three people crossed the floor — three members of the largest majority government, the shortest lived majority government in the history of the Commonwealth of Nations.

Three of their own members crossed the floor in one motion. Somehow, they seemed to forget about that — or maybe they're trying to use that experience to their advantage and be liberal with it. It's hard to say, but I did want to put those comments on the floor.

Mr. Hardy: I can't help making a couple comments just to remind people in this Legislative Assembly. We've heard accusations; we've heard people talk about the history of what has been said in the Legislative Assembly. We've heard the Member for Pelly-Nisutlin talk about raising the bar but, for some reason, we're unable to stay focused upon what a friendly amendment is about. Let's remember, it was a friendly amendment put on the floor, with all good intentions. It started with a comment I made in responding to the first motion about having more time. From that, it went to the Independent member who suggested to me that we could maybe extend it and start an hour earlier. From that, it was passed on to my colleague, who stood up and introduced the friendly amendment — working together.

It started from working together. Then it got derailed — a simple, friendly amendment. We can do a lot better than that. I've heard that said already, so let's put aside our little spiteful attitudes toward each other. Let's put aside our egos. Let's just vote on the friendly amendment and see where it goes. If it doesn't go anywhere, then it speaks volumes. But hopefully, if it does go somewhere, it speaks volumes about us working together.

Hon. Mr. Fentie: Mr. Speaker, I have to fully agree, not only with the Member for Pelly-Nisutlin, but with the member of the Third Party. Frankly, this has gone beyond any sensibility. Here's the issue: we have presented a motion. We've also informed House leaders; everybody was aware. To have this evolve as it has on the floor of the House is very troubling. The government side is always willing to work with everybody in the House, but more importantly, to work with those outside of this House, in every department, and in our Crown corporations, public utilities, hospital corporations — whatever the case may be.

Out of respect for those dedicated people, the government side is not going to change something like this on the fly here on the floor of the Legislature. Out of respect, we will engage with the representatives of the Yukon Development Corporation and the Yukon Energy Corporation on this matter, because, as the members opposite continually refer to, there is past practice and tradition and so on. Mr. Speaker, that includes the fact that we would sit down and present to those who come before this House that the Assembly has suggested, by way of an amendment, that we change the timing factor. I think that only makes sense, but it shows respect for those who actually are out there doing hard work.

Now let me make a couple of other points. The members of the Official Opposition have made statements here that are, in fact, incorrect. Nobody said there was an agreement. What we did out of respect for members of this House, employees and officials — whatever the case may be — was inform the members opposite of the circumstances. The government didn't dictate to people when they would come before this House. The government, out of respect for individuals, sat down with those individuals and asked, "What is your view? What do you

think? Given the fact that you haven't even had a board meeting, what do you think?"

They responded. From that response, the government side presented to the members opposite the facts, and accommodating all interests, informed the members opposite that we would forgo bringing the witnesses before the House in the fall and bring them here before the Assembly during the spring sitting. We've lived up to that. We've followed through with what I would call a very professional approach with officials, members of boards and members of this House.

The vote here will be such that the government side is not going to change on the fly something that we had presented to this House based on all facts and all matters, all inclusive. But if the members wish to pull this motion and allow the government to sit down with those who must come before this House to explain what has transpired here, we're willing to do that. I think that is a very friendly, professional, respectful approach. But doing so on the fly, in this manner, with some of the statements that have been made today, does a disservice to those officials, does a disservice to the Yukon public, and is certainly not in keeping with convention of this House.

Speaker: Are you prepared for the question on the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: Disagreed.

Amendment to Motion No. 1011 negatived

Speaker: Is there any further debate on the main motion? Are you prepared for the question?

If the honourable member speaks, he'll close debate. Does any other member wish to be heard?

Some Hon. Member: (Inaudible)

Speaker: Are you standing up to debate or on a point of order?

Mr. Cathers: I think it's very unfortunate that that last amendment was defeated. I think the fact must also be pointed out that the Premier, in suggesting that the only reason to vote against the amendment was out of respect for officials, does not reflect past practice or modern technology. We have something called a telephone.

In the past, the Premier, when it suited his interests, has had staff demand that the chair and the president report to his office immediately, without any notice. In this situation, if there was any interest on the government side in accommodating the request for more time to speak, a phone call could have been made during debate. The government could have requested a 15-minute recess to make a phone call. There are any number of things that could have occurred.

So, it does not appear that the reason given for voting against it is the real reason.

Now, that being said, I would encourage all members in this House to keep in mind, when officials appear before this Assembly, particularly when the chair of Yukon Energy Corporation and the president appear before this Assembly, those

officials are primarily in a position to answer technical questions and questions related to their responsibility.

We all know what really went on around the ATCO affair last summer. Those questions, as I have stated publicly before, can really best be dealt with through a judicial inquiry where everyone will have to answer questions under oath, on penalty of perjury.

But, again, I must remind all members of this Assembly and those listening that the public's questions regarding that matter relate to the Premier's actions, not to those officials. Officials should not be used as shields in debate. People should not hide behind them, particularly the ministers. But I would point out that both the Premier and the Liberal Party should raise the bar of debate and avoid throwing officials into the line of fire. Both have done it in the past when it suited their purposes in debate.

The Premier has a practice of referencing officials and accusing those who attack him or criticize him of attacking those officials, when in fact officials are only doing their jobs and officials in most of these matters are not the ones making the final decisions; they follow the instructions given to them.

Mr. Speaker, there is not a lot of point in spending the afternoon debating this motion; we know how it's going to end up. It will be passed; officials will appear for two hours. Again, I would point out that the questions that really exist in the public's minds regarding the ATCO situation — the freedom for officials to testify without fear of repercussion — can best be provided through judicial inquiry, not the floor of this Assembly.

The Premier will again, as always, use his standard approach of repeating the message of how everyone else is wrong, when in fact his own letter, signed to the president of ATCO, contradicts his own assertions. The questions, again, related to the ATCO matter, the ATCO affair, cannot be answered by officials appearing before this Assembly. They were not involved in the key matters — as indeed were not members of Cabinet, in matters they should have been involved in. The question that the public has, that the Premier cannot properly answer to his own satisfaction, is why five people resigned, including me, and gave up both position and remuneration to do so.

We all know what is happening here, Mr. Speaker. But with that being said, we have little other choice but to vote in favour of this motion here today. The officials should appear for longer but really, this matter — this issue of officials coming before this Assembly — will not address the fundamental questions the public rightly has about the Premier's dealings with ATCO.

Speaker: If the Government House Leader speaks, she shall close debate. Does any other member wish to be heard?

Hon. Ms. Taylor: After some great lengthy debate on this particular motion, I feel that I could really go on at great length and respond to each statement made by each of the respective members in the Legislature, but there are more important things to attend to — the budget. I very much appreciate

the comments and the views and the perspectives of each member of the Legislature. That's why we're all here. We're here to represent our constituents as public representatives.

I do want to finally thank members for their support of having the witnesses appear before the Legislature to discuss matters of pertinent importance. When it comes to the Yukon Development Corporation/Yukon Energy Corporation next Monday, we will look forward to welcoming them. Just to put on the public record again, the amendment that was put forward by the Member for Mount Lorne, while in fact it was defeated by the government side, there is also a commendation on the government side to endeavour to have that discussion with members of Yukon Development Corporation and Yukon Energy Corporation regarding their availability to appear before the Legislature an hour earlier.

I just wanted to put on the public record that, as Government House Leader, I have very much taken my job very seriously. I have made every effort to be open with members opposite, making briefings available in an organized, methodical manner. Also, giving members opposite a week's notice, again, as we did with the Workers' Compensation Health and Safety Board last fall — and you're welcome. There's not much more to add to this debate, other than thank you very much for the opportunity, and we look forward to the vote.

Motion No. 1011 agreed to

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

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

Motion agreed to

COMMITTEE OF THE WHOLE

Chair (Mr. Nordick): Order please. Committee of the Whole will now come to order. The matter before the Committee is Bill No. 18, *Third Appropriation Act, 2009-10*.

Do members wish a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 18 — *Third Appropriation Act, 2009-10*

Chair: The matter before the Committee is Bill No. 18, *Third Appropriation Act, 2009-10*. We will now proceed with general debate.

Hon. Mr. Fentie: Well, Mr. Chair, it is indeed a great pleasure to introduce Bill No. 18, *Third Appropriation Act, 2009-10*, more commonly referred to as *Supplementary Estimates No. 2*, to Committee of the Whole.

By way of a brief preamble, Mr. Chair, the members will have the opportunity very shortly to raise questions in general

debate with me and the various ministers who are seeking appropriation increases; therefore, my detail in Committee of the Whole debate and my presentations at this time will reflect on some of the main elements of the supplementary estimate.

I will state that many subjective comments have been made about “reckless spending” and “going for broke” and “mortgaging the future”. Of course, the government is assuring all Yukoners and, in fact, anyone who looks at the budget documents as presented would know otherwise. The budget documents and the numbers contained in the supplementary speak to this very fact — the very fact that the statements made, especially by the Official Opposition, are inconsistent with the budget, the documents, the numbers therein as presented.

Of course, Yukoners can and will take great pride in the sound shape and healthy shape of the finances of the Yukon.

The financial results, as presented, while admittedly, like all financial presentations, can be hard to read unless you are an accountant — and I want to emphasize this — do point out the fact, however, that the health and the financial position of the Yukon government and the Yukon Territory is indeed one to be proud of. Furthermore, one only has to compare our financial shape to that of most other provinces and territories to see why we are indeed the envy of most of these jurisdictions.

Now, I hope the Member for Lake Laberge is listening because he might be able to learn something as we go forward with this discussion.

So, Mr. Chair, on operation and maintenance and capital expenditures, this supplementary provides for \$12.9 million of increased O&M related primarily to increased requirements by the Department of Health and Social Services. We have heard consistently here in the House and in other statements made outside this House that the government is conducting a fiscal management regime, as the Official Opposition defines it, as “reckless spending”.

Let me delve into that statement somewhat by using some examples of where the expenditures in this supplementary are actually dedicated.

The government's response to the H1N1 virus outbreak — that is in this supplementary and the members opposite have viewed that without really assessing and absorbing what's in the budget document itself. They have viewed that investment in H1N1 for Yukoners to deal with this virus here in the Yukon Territory as reckless spending. I'm sure the Minister of Health will expand further on the investments in this area and what it meant to Yukoners.

The members have stated that medical travel and physician claims — which ensure Yukoners have access to and receive required health care services, and have received those services, as reckless spending. Now, the Official Opposition may have some reasoning behind this, but that's something they'll have to explain to Yukoners. I find it interesting that the Official Opposition would view this very important investment as reckless spending and going for broke.

Initiatives under the territorial health access fund — once again, the Official Opposition have taken a position that is completely inconsistent with what these investments are. Of

course, social assistance benefits — ensuring Yukoners are receiving financial supports as appropriate — once again, reckless spending, going for broke. But these are some of the values that are in the budget document, as presented to this House, and I'm sure the members opposite know what's in the budget document — at least they should — yet they can make statements and present to the Yukon public such a position that is so inconsistent with the facts.

I'm also sure that the members opposite can appreciate the significance of these health-related expenditures, which are delivered on behalf of Yukoners. This side of the House recognizes when Yukoners have health care needs that the government must act on their behalf, and that is something we will continue to do as a government to ensure Yukoners' access to health care is comparable to the extent possible to access that all Canadians have available to them. That is our ongoing commitment to ensure appropriate levels of funding and investments are available to provide these services to the Yukon public.

We don't deem that as reckless spending or going for broke; we deem that as good government and contributing to and investing in quality of life for Yukoners.

Now regarding capital expenditures, this supplementary provides increases in capital for three projects of significance to Yukoners that are proceeding ahead of schedule. On many occasions, the Official Opposition has made statements about the government's capital project process. I think the members have gone so far as to suggest that capital projects don't happen in the Yukon because of the government. Here we are with the supplementary before the House that is requesting spending authority for projects that are ahead of schedule.

When you consider the massive amount of capital investment in this territory and the significant number of projects that are happening, not only are we creating benefits for Yukoners and jobs for Yukoners, putting infrastructure in place for the future of this territory, we are indeed progressing ahead of schedule in some areas. The members call that reckless spending. The Official Opposition feels that's going for broke.

\$2.85 million for corrections infrastructure is hardly an example of reckless spending or going for broke. The members opposite know full well that this investment is also part of an overall correctional reform process the government has undertaken.

\$3.1 million for the air terminal building at the Whitehorse airport — maintaining facilities at the Whitehorse airport to ensure our status as an international airport continues by having appropriate facilities for air traffic is important to this government but, to the Official Opposition, it's deemed as reckless spending.

The sewage treatment facility and district heating project in Dawson City is receiving \$4.2 million of investment in the supplementary budget — once again, hardly reckless spending. Quite frankly, Mr. Chair, it also includes a court order to address the issue of effluent discharge in the City of Dawson.

These projects progressed more quickly than anticipated during the 2009-10 fiscal year and, as a result, funds have been advanced from future years. So it is not an allocation of new

money but it is a reprofiling of money from future years to cover said increases in 2009-10 for these projects. Of course, these projects continue to be ahead of schedule and on budget.

As noted in my second reading speech, the capital expenditures are offset by reduced requirements and land development, Canadian strategic infrastructure fund projects and municipal rural infrastructure fund projects — all investments from these areas that are contributing to benefit for Yukoners.

Mr. Chair, these reduced requirements or lapses are carried forward into the 2010-11 capital estimates for future years. These would normally be considered for revote purposes later in 2010-11; however, departments have been able to identify unspent funds for 2009-10, which allows us to carry these expenditure initiatives forward and put the required budgets in place at the start of the 2010-11 fiscal year, instead of in mid-year.

In summary, with respect to capital, this supplementary not only reflects lapses that are included in the 2010-11 capital estimates, but it reflects three significant projects advanced from future years. Now, let me delve into the financial position.

Regarding our government's fiscal position, this supplementary forecasts a change of annual expenditures from those originally forecasted of just over \$23 million. I emphasize and repeat: a change in the annual expenditures, as from originally forecast for the supplementary of today, and that change is just over \$23 million.

Our spending initiatives contained in this supplementary are providing direct benefit to Yukoners, and indeed, across the territory in many, many ways. However, this benefit being received by Yukoners today is not at expense for the future. Once again, it speaks to this "going for broke" point and statements that continue to come from the Official Opposition.

Our net financial resource position is the most important indicator of our government's fiscal health, and this indicator speaks to the future, and it's very important that any government manage its finances by managing them in a way that we are dealing with the future.

So, the supplementary estimates forecast our net financial resource position to be a very healthy \$69 million. Now, as I've discussed in my second reading speech, our government has \$69 million from which to fund future operations. This means, if our government were to extinguish all its liabilities — I repeat, if our government were to extinguish all its liabilities — we would have \$69 million from which to fund future operations. This forward-looking, healthy financial position is the true, factual measure of the Yukon's financial health.

This is what Yukoners can take great comfort in. Our government has continually maintained a healthy net financial resource position and that began many years ago — in fact, seven years ago — and that's where surpluses for the Yukon began. While our choices to invest significantly in capital infrastructure at the community level have contributed to the change in the surplus originally forecast for 2009-10, there are indeed other factors that contribute to the situation, and I will now summarize.

The Auditor General recommended a change in accounting in how we treated the Building Canada fund. The Auditor Gen-

eral suggested that this government follow the matching principle — that is, revenues are booked at the time expenditures are incurred. That is a difference from the past. This request by the Auditor General resulted in a major change in accounting for these cash flows, which we are entitled to and receive. We are entitled to receive the cash, but are not booking the cash as revenues as the original accounting treatment allowed the government to do.

Now, Mr. Chair, this is nothing more than a timing difference and it reduced our forecast annual surplus by some \$11 million. There are other timing differences that I spoke to in my second reading speech.

But I want to move something that is very important and that is this: we are the envy — the Yukon is the envy — of many jurisdictions. Only two governments out of the 13 provinces and territories have the cash and other financial assets to pay off all their obligations — only two jurisdictions. Only two jurisdictions have net financial resources as opposed to net debt. Those two jurisdictions are the Province of Alberta and the Yukon Territory. Only these two jurisdictions — Alberta and Yukon — have actually saved for the future. We do take great pride in the fact that we as Yukoners are living within our means and are not mortgaging the future. Yukoners have in fact net financial resources — a savings account for our future.

I also want to point out that the long-term plans tabled in the 2010-11 budget are important. The annual surplus and positive net financial resource position as forecast for each and every year continue and, Mr. Chair, these are very strong indicators of not only the government's plans for continued financial health but give a clear picture on what we can do going forward.

Yukoners have done an exemplary job of managing their finances and are well-positioned for our future, which is indeed a future full of opportunity, potential and all of that means a better quality of life for the Yukon public.

Mr. Chair, of course, we on this side are pleased to discuss the budget in further detail but that is essentially done in department-by-department, line-by-line debate; however, we will entertain some general debate as we proceed.

Mr. Mitchell: Well, it is indeed a pleasure to be entering into debate with this Premier on the *Supplementary Estimates No. 2* for the year, Bill No. 18.

Now the Premier likes to throw out lots of little examples and say, "Is this reckless spending? Is that reckless spending?" What I'd like to point out to the Premier is that the reckless spending very much refers to this Premier's apparent inability to live within his means when acting in his capacity as Minister of Finance. It's a spending trajectory — used to be one of the favourite terms of this Premier when he was in opposition, talking about spending trajectories — that's simply unsustainable. It's this Minister of Finance's failure to end the year, the year 2009-10, just recently concluded, by keeping the commitments that he made to Yukoners at the beginning of the year, when he so enthusiastically forecast a surplus for the 2009-10 year in his initial main estimates of \$19,388,000. He estimated a surplus. He didn't mind referring to that number — the surplus/deficit position of the year — the number that's on page S-1 in this

budget or page S-3 in the financial summaries out of his budget speech. He was quite pleased to talk about that as being a surplus then, not a deficit, when that was his estimate.

But with the supplementary budget in front of us, we now see a number in brackets. It says "Surplus (Deficit) for the Year". If the number is without brackets, it's a surplus. If it's within brackets, it's a deficit. To quote the Premier from earlier this afternoon, "It's just economics 101." It's very, very simple.

If you go to Wikipedia — that's free, so it won't add any cost to the Premier's current deficit — it leads off by saying: "A budget deficit occurs when an entity spends more money than it takes in. The opposite of a budget deficit is a budget surplus."

Well, it's a little more complicated than that for us, of course, because of how we amortize the capital expenditures, the investments, over many, many years. The fact of the matter is, if you look at page S-1, the numbers there show a spending trajectory that's pretty frightening to Yukoners as well — "2009-10 Revised Vote".

Revenues — all the revenues: taxes and general revenues, which are \$109 million — that would be own-source revenues basically; third party recoveries, \$76,977,000; recoveries from Canada, \$127,913,000; transfers from Canada, \$656,847,000. Total revenue was \$970,746,000, but the expenditures totalled \$1,084,062,000. We spent over \$100 million more than we took in last year. That's with the matching principles that the Premier cites the Auditor General required of us. That's matching revenue and expenses, matching expenditures against the revenue that has been provided for them through the Building Canada fund and elsewhere.

In fact, while the transfers from Canada — partially due to the accounting changes that the Premier talks about — reflect a lowering of transfers or less transfers being recorded in this period of \$15,035,000, the recoveries from Canada have increased by \$25,543,000. In fact, the revenues from the numbers that we had voted to date with the first supplementary to this one have increased by \$6,135,000, but the expenditures increased even more rapidly.

Now, in trying to explain away this deficit budget, the Premier — last fall, I think, in this House he tried during Question Period to make a weak reference to a television show, *Seinfeld*. It fell kind of flat, but since the Premier's fond of television shows, I'll remind the Premier of the show *Happy Days* when one of the stars in *Happy Days* had a problem with a certain word emanating from his lips. He couldn't tell any of his many, many girlfriends that he loved them. He couldn't get the word "love" out. He would try and it would just come out sort of "lo..." — it wouldn't come out at all.

It's kind of like watching this Premier try to tell his many, many constituents, the 35,000 Yukoners, that he has finally produced a deficit for the year. He just can't say it. He can manage to say it when referring to past governments from seven years ago, 15 years ago. He referred to the Penikett government recently — quite conveniently forgetting when he referred to that as the "last NDP government", but the last NDP government was actually the McDonald government. I think he actually sat in the McDonald government as a backbencher.

It's amazing that he actually forgot that he was part of that NDP government, but nevertheless, for every previous government that had a deficit he has no problem saying the word. But when it comes to the budget in front of us — the budget that's the most up-to-date financial information for the year just recently concluded — he just can't say the word, even though it's on the page. It says "Surplus (Deficit) for the Year" — deficit in brackets; here's the number in brackets: a \$23,096,000 deficit for the year. Instead, he wants to talk about how suddenly it's our net financial resources at the end of the year that is now the most important number in his mind. It wasn't the most important number when he tabled his budget 12 months and 10 days ago, or 12 months and two weeks ago, for the year just concluded. No, back then, he was talking about the surplus for the year. But now that it has turned into a deficit, he's like a magician. He waves his wand, and he says, "Don't look over here. Don't look over here. Look — look in my other hand. Look: net financial resources. Never mind the deficit. Don't look at that page." But Yukoners aren't fooled.

They know that they are looking at a deficit. They know that this Premier optimistically forecast a \$19 million-plus surplus for the year. He missed the mark by \$42 million — \$42 million over the course of the year from beginning to end. He just referred to the fall supplementary budget; he didn't refer back to the initial budget. It was going to be a \$19 million-plus surplus, now it is a \$23,096,000 deficit.

So it is unfortunate, because the Premier really should acknowledge that. The officials acknowledge it. The Government of Yukon officially acknowledges it. Everybody but the Minister of Finance acknowledges it. Look, here are the multi-year projections in the Premier's Budget Address. Let's see what it says there. Surplus/deficit for the year, 2009-10 supplementary forecast, \$23,096,000 deficit; 2010-11 main estimate, \$2,907,000 surplus.

So what we have, Mr. Chair, is a Premier who last year forecast a \$19-million surplus; that was what he forecast when we were first pregnant with this budget but, when the baby was delivered, his baby turned into a \$23-million deficit. What a surprised parent this Premier must have been when officials showed him his beautiful new, in brackets "red", deficit baby. What a shock. He was now parent of a deficit, something he thought he would never do.

The problem is, and we'll get to this, no doubt, when we start looking at the main estimates for 2010-11, that if the Premier forecast a \$19-million surplus in 2009-10 and delivered a \$23,096,000 deficit, how can Yukoners have any confidence that he can maintain a \$2,907,000 surplus throughout the current year?

They can't, because if a premier misses the mark by \$42 million, \$2,907,000 won't last very long. In fact, we've already seen that the government has settled with its employees in the YEU — and we're happy to see that — for an undisclosed amount, but one would think that that's going to eat up a lot of the \$2,907,000 minuscule forecast surplus right there.

Now, the Premier made reference to us calling the \$1.8 million spent to fight H1N1 in Yukon, "reckless spending." I really hope the Premier could pay more careful attention to

what's said in this House than that because last fall I stood in this House and commended everyone from the nurses on the line, to the doctors, to the other health care workers, to the chief medical officer of health, and the Minister of Health as well for the job they did, fighting to inoculate as many Yukoners as possible against H1N1.

More recently than that, just last Tuesday, two days ago — short-term memory. The Premier should have two days' worth of memory. I said the following: "I can agree with the member opposite that many of these are good programs — assisting FASSY with additional funding, the social assistance increases we fought for for years in here, continuing care expenditures, children's mental health, mentorship programs — but out of all of that, he also mentioned dealing with the H1N1 pandemic."

I went on to say: "I think that was the only expenditure of the ones that he listed off that was truly unexpected and something that one couldn't have budgeted for. That \$1.8 million — yes, there was no way of knowing when the main estimates were tabled that that cost would be coming, because we did not yet know that there was such a serious pandemic coming."

So, it's pure folly — it's pure imaginative folly on the part of this Premier to say that we are calling that reckless spending. We said it was necessary spending, and I think we also said it was spending that could not have been anticipated.

So, on the Premier's \$42-million miss, let's give him a \$2-million mulligan for H1N1. He's still long out of the fairway. Even with the mulligan for H1N1, he has missed the fairway entirely.

You know, it really is sad that, like the Fonz of old TV days, this Premier just can't get the word "deficit" through his lips and be straight with Yukoners. The officials have made it clear in the briefings that he refers to that —

Chair's statement

Chair: Order please. The Chair has been listening to the debate today. I was kind of hoping that Committee of the Whole debate on the supplementary budget would be a bit less personal. Mr. Mitchell, stating that a member is not being "straight" with the public is not in order. That's imputing false motives. I would expect members not to do that. You do have the floor, Mr. Mitchell.

Mr. Mitchell: Thank you, Mr. Chair. I'll rephrase it. The Premier is not able to provide clearly the information that's in the budget when he speaks to Yukoners. I would not imply or impute a motive at all, Mr. Chair; I'm only imputing or relating that the Premier seems unable — seems not able — to relay the information that's on the page, the information that, as he says, the officials have explained in the briefings.

Yes, the Premier also speaks to the net financial resources at the end of the year of \$69 million. I would like to point out to the Premier that, not very long ago, that number was well over \$100 million. In fact, I believe the 2009-10 supplementary forecast at the beginning of the year had it at \$135,544,000. Then it has been reduced to the end of the year to \$69,430,000.

Let's look forward. It is being projected as being reduced — and this is the number that the Premier says we should look at — it is being estimated in the main estimates to being re-

duced to \$40,255,000. But out of that \$40 million, Mr. Chair, I am sure you too will be interested and concerned to know that there is some \$24 million on the books representing our investment in asset-backed commercial paper, an investment — and I use the term loosely, because the Auditor General said it was an investment that contravened the *Financial Administration Act* — that cannot be recovered for around another eight years.

Now the Premier described that as simply an extension of term, a slight modification of the term of the investment from 30 days to nine years. I am sure that people listening would be horrified if they invested in a bond that was supposed to be repaid in a month or a month and five days, whatever the term was, to be told by the bank, “I’m sorry, you can’t have your money back in a month, or two months, or six months or 12 months. You can’t have your money back next year or the year after, or the year after that, but hang in there. Hopefully, you won’t need your money; you can get it back in nine years.”

The Premier told us he didn’t need that money. We had lots of money when he was busy trying to explain that one away, Mr. Chair, but in fact now he’s authorizing borrowings of up to \$67 million through the Yukon Hospital Corporation, up to \$100 million through the Yukon Energy Corporation. He talked about the \$71 million that’s coming from Canada in the green energy fund toward Mayo B, while half of Yukon’s required contribution, half of our \$72 million, would have been available just out of the asset-backed paper — the \$36 million that was mistakenly invested there by this Premier. Had he been supervising as he should, and looking at the one-page list of investments, he might have noticed that there were two or three that didn’t comply with the *Financial Administration Act* and then we wouldn’t have our money tied up for so long.

As a matter of fact, just yesterday in the *Vancouver Sun* there was another story about asset-backed commercial paper. It says, “ABCP notes still selling at big discount” and it’s by John Greenwood from the *Financial Post*.

Mr. Greenwood is a reporter that has been following this story since the beginning. In fact, I’ve talked with Mr. Greenwood, and the Premier might do well to actually talk with him as well. But, it says, “A year after a group of investment banks and pension funds restructured \$32-billion of faulty asset-backed commercial paper, the new notes continue to trade only sporadically and at a significant discount to par.

“There is a developing market, but it’s a very opaque market, so it’s very difficult to know what’s going on,” said Dan Williams, an independent consultant working for several of the corporate note holders.”

Later on, it says, “... the best of the notes are trading at around 65¢ on the dollar while the worst are trading at less than 20¢, said Mr. Williams.”

That’s where this Premier invested Yukoners’ money. So we could move on, certainly, if the Premier would just stand up and say, “I’m sorry. I should have been more clear with Yukoners in describing this budget. It is, in fact, reflecting that we now have a \$23,096,000 deficit for the year just ended, revised vote.” Then we could move on to talk about other aspects. So, when the Premier says “reckless spending”, it was reckless to

put \$36 million in asset-backed paper, and it’s reckless to start the year with a \$19-million projected surplus and end with a \$23-million deficit.

Hon. Mr. Fentie: Well, that was really helpful. I’m sure Yukoners have taken great comfort in the member’s statements, assertions, his views and opinions — all of that in total must be very riveting.

Mr. Chair, the member has a serious problem because he keeps referring to a budget and the budget has great detail. It’s not one estimate. It is a compilation of many factors, many values, accounting principles, public sector accounting guidelines, the *Financial Administration Act*, and the list goes on and on and on.

The Leader of the Official Opposition’s main problem here is the fact that the member continues to ignore all of these totals. First off, if the member looked at some of the information already provided, he would see that the change in estimate, which resulted in the budget that is before him, has little to do with expenditures and a great deal to do with an Auditor General’s direction to change how we accounted for Building Canada.

That only means that the dollar value is pushed out into out-years. Furthermore, being very cautious and conservative, the government has dealt with lapses in a manner that will provide what I would call an ability for us going forward in this year, as the public accounts are done, to ensure that we are maintaining and continue to maintain a healthy financial position. Of course, there are some expenditures we have pointed out that have resulted in the fact that some projects proceeded ahead of schedule — all very positive things for the Yukon.

Mr. Chair, this is the problem the member has: actually, a deficit is when your liabilities are in excess of your assets. One cannot manage the finances of anything, including household finances, if one does not calculate all matters in total — assets and indeed liabilities.

That said, Mr. Chair, the Yukon’s position right now — financial position — is in fact a position where our liabilities are not in excess of our assets at all; in fact, quite the contrary.

Furthermore, investments of today include significant investment in roads, bridges, schools, health centres, airports and other capital assets that will be used and provide ongoing benefit for Yukoners long into the future. That means you don’t continue to invest in the same capital project year-in and year-out. I’m sure the member can start doing some of that calculation. The last actual deficit for the Yukon Territory — the last one — was in 2003, the last Liberal budget.

Furthermore, the member references revenues. Well, if you look at the totals from 2004 to 2009, the fact of the matter is that this Yukon Party government has spent, invested, less than we’ve received to a total \$155 million plus. That means we’ve taken in that much more money than we’ve expended and, in doing so, the investments made over that period of time have resulted in major benefits for the Yukon Territory, job creation, stimulus — and let’s look at the Yukon of today.

The Yukon of today is a place where economic development is happening, growth is happening, quality of life improved — the list goes on and on, Mr. Chair. But also it has

resulted in a very significant increase in private sector investment. That means that the government, through its policies, fiscal management practices and other factors, has created a certain climate, a climate of certainty for investors and that is garnering great benefit to the Yukon public.

Going back to the totals, as tabled, the supplementary — which yet has to be done — through the Auditor General's review, the budget in total, to produce the public accounts, and there is a lot of work yet ahead of us, but the fact of the matter is the accumulated surplus for the year just ended is estimated at \$524.1 million — that's a half a billion dollars.

The net financial resource position is \$69.4 million. This also includes an accumulated surplus of \$454.7 million, which is invested in long-term assets. So, not only do Yukoners have a savings account of some \$69.4 million, but we have wisely invested in assets with the remaining value of \$454.7 million, which will have benefit not only for today but will benefit future generations. This is all about fiscal prudence, and the government has built and will continue to build for the future because of fiscal prudence and financial management practices.

In other words, we are preparing the Yukon for the future.

The member made some other offhanded comments about movies and who knows what else, not worthy of response whatsoever, and if the member, the Leader of the Official Opposition, wants to continue with his opinion and his view, that's what it is and that's what it is only. The rest will obviously be determined by the outcomes and, right now, the outcomes for this territory are very positive, and they are positive because a Yukon Party government actually took office after the debacle seven years ago that really put this territory into a tailspin.

Even we are somewhat surprised that we were able to accomplish what we have accomplished — that a lot of it has to do with our fiscal management practices and a great deal of credit has to go to the officials.

And the member has — never mind about the comments of “reckless spending” and “going for broke”. This member has also maintained that the figures and the values in the budget documents are there, in many cases, because we have forced Finance officials to put them there. So when you consider that, coupled with other statements by the member opposite, one can only wonder what point the member is trying to make.

Mr. Mitchell: Let's start where the Premier started, and that will be with saying that the member — meaning myself — has put on the record his assertions, views and opinions. Mr. Chair, I haven't put on any assertions, views or opinions; I put some facts on the record. They're not views, they're not opinions. Contrary to the Premier's assertions, I have a lot of confidence in the Finance officials and the budgets they have presented to us as being accurate. What I don't have confidence in is the Minister of Finance's ability to stay within the budget, because last year the officials, with great amounts of work — and no doubt thousands of hours collectively of effort — pulled together a budget that, if only the Premier could have followed it, would have kept the current year in a surplus position.

Then the Premier took the helm of the ship of Yukon's finances and managed to steer us into a \$23-million deficit. It

reminds me of the plaque the Premier received so recently of *HMCS Yukon*, a ship that has been sunk.

Again, now the Premier is blaming the Auditor General of Canada for his budgeting failure. Mr. Chair, he says that it is really just that the Auditor General required us to match revenues with expenses and that is what has happened. Well, that is only part of what has happened, Mr. Chair, because the Premier still received more recoveries from Canada than had been forecast, but still had greater expenditures. The Premier is saying it was largely the one, but in point of fact, it is still some \$12 million in expenditures beyond what was forecast.

Mr. Chair, we can look at every one of the items that the Premier recites — of THAF initiatives, SA benefits, H1N1 response, children's mental health, continuing care and home care — and yes, they are important programs. The Minister of Finance's job, Mr. Chair, is to make the tough decisions. If these are important programs where money needs to be spent but he doesn't want to end up with a deficit, then he has to look for that money elsewhere in his billion-dollar budget. Instead of the budget he has tabled, he could have come back and brought us a budget and requested revotes, moving some money from where he had planned on spending money that perhaps seemed less critical than H1N1 or other issues — areas where he wanted to spend money — and spent them there.

Or, alternatively he could just say to Yukoners, “This year I couldn't do it. I couldn't stay within the budget, but it was all for a good reason. I ran a deficit, but I'm not embarrassed by it because I needed to.”

He hasn't done that. He just keeps talking about other numbers. First he moved on to the net financial resources and told us that was the mark; that was the number we had to look at. Then when we point out that by the end of the year we are now in, that number is going to be forecast or estimated to be \$40 million, out of which \$24 million is in the untouchable, the ABCP — only \$16 million is really available — then he came up with a different number. He just keeps moving it all over. Then he very conveniently sort of picked the years 2004 to 2009 and said, “We've taken in \$150 million more than we've spent in those years”, conveniently ignoring the very budget we're debating this afternoon, where he has spent \$100 million more than he took in. I'm sure that when the Premier's next on his feet he'll say, “Well, we don't have the public accounts yet for that number.”

And, of course, we don't. We'll have them in the fall. But that's what the paper says. That's the current revised vote — to spend some \$113 million-plus more than the revenue. That would cut a big hole in that \$150-million number he likes to throw around.

Then what did he finally move on to, Mr. Chair? Just to confuse the issue a little further, he suddenly said, “Look at our total accumulated surplus position — \$524,151,000.” That includes the building that we're currently sitting in — or standing in. That includes all the schools. That includes all the health centres. That includes all the fixed assets of government. And really, that number doesn't mean much to Yukoners, because we're not going to sell the schools. Hopefully, we're not going to sell the Legislative Assembly building, although I'm sure

there are days when many Yukoners who are listening wish we would.

Some Hon. Member: (Inaudible)

Mr. Mitchell: The Member for Kluane looks grieved at even the thought. But I'm sure Hansard is cheering away, saying, "Sell it, sell it, sell it."

But the fact of the matter is we're not going to recover money out of that. If the Premier really wanted to compare apples to apples, rather than apples to bananas, he could look back and recognize that all the previous governments that he likes to refer to weren't using that number. That wasn't the mark then of whether one had been running a deficit or a surplus for a given year. People — MLAs — referred to the surplus/deficit for the year, not the accumulated surplus or deficit for the year.

If we had put all those assets into the mix in 2002 — and if you want to talk about that accumulated surplus position, then that's basically accumulated surplus or accumulated deficit would be net debt — I don't believe that the former governments were in a debt position if we included all those assets either. That's not the number that the Premier referred to when he said the last government was running a deficit. I don't think it was a deficit, after allowing for all of the fixed assets of government, because we didn't use that basis then.

We were expensing infrastructure capital expenditures at the time in the current year. When we built a school, if it was \$12 million, this Minister of Finance's predecessors had to allow for that in the current year, not over many years.

So that has been changed and that is fine; that is something that has been required of all governments and it is probably a good thing. But it conveniently allows this government to refer to the past and the present and make an unfair comparison.

Again, Mr. Chair, it is unfortunate that this Premier's inability to say that we have a deficit for the current year — surplus or deficit position — that now under the revised vote is showing up in brackets as a \$23,096,000 deficit. I don't know why the Premier can't just say it because, as the Member for Mayo-Tatchun said, it is in black and white, it is as plain as the nose on the minister's face. It is right there on the page, in brackets. The minister knows it. The officials know it and I think most Yukoners know it as well.

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

Recess

Chair: Order please. Committee of the Whole will come to order. The matter before the Committee is Bill No. 18, *Third Appropriation Act, 2009-10*. We will now continue with general debate.

Hon. Mr. Fentie: Well, Mr. Chair, I really, really wonder what point the Leader of the Official Opposition is trying to make, but I did glean from all the comments, something I think may really help the situation. The Leader of the Official Opposition is talking about comparing apples to apples and then starts referencing past governments and past budgets.

I think maybe we have a way to address the confusion that seems to be emanating from the benches opposite.

Considering that, past budgets, pre-full-accrual accounting, had a value in the budget that was denoting surplus/deficit. Once you apply full accrual accounting, that very same element has been — how do I put this? That element of the budget has actually become the net financial resource position of the government under full accrual accounting.

If you do the comparisons, it's quite clear that what in the past was a surplus/deficit position is now very similar to the net financial resource position in the budgets of today.

I hope that helps the member opposite, but there were also some other factors in past budgets that we must reflect on. I don't think one can say that governments of the past made choices in areas like capping leave liability without due thought and deliberation, but that was also included. That cap — if we compared the budgets of today to the budgets of yesterday, there would be millions of dollars reduced from that same surplus/deficit position of the past, as we are expressing those values in the net financial resource position of the day.

So we also, in the budgets of today, are recognizing what never was recognized in the past and that is environmental liability. We have to — really, sometimes it gets very frustrating, but the member opposite knows full well we're not blaming anybody. We're expressing to the member — we're providing information that we're hoping will help the member opposite. But the Auditor General also requires that we book our environmental liabilities and we've been going through a process in that regard that is reflected in our budgets that weren't reflected in the past.

If you want, Mr. Chair — if the member wants to compare apples to apples, well, this is the way it is. There are millions more of liabilities in today's budget that were not in past budgets. The net financial resource position of the budget of today is comparable to the surplus/deficit position of the budgets of yesterday.

So, all things considered, the Yukon actually is in a very healthy financial position, and has even taken on more liabilities and has accounted for those liabilities in the budgets of today. That said, what we have is a savings account of \$69.4 million. Now, we are expending some of that down in the budget of 2010-11 for obvious reasons.

A great deal of those expenditures are not going to be repeated in years going forward. They will be investments in schools, bridges, roads, health centres, hospitals, airports and other capital investments that aren't on an ongoing basis. The expenditures are made in a given year. The projects are completed and the assets are there and available for the use of Yukoners long into the future. That's what prudent fiscal management is actually all about.

Just to close this off, take those comparisons, apples to apples, and reflect on the actual definition of "deficit", which is, again, I repeat, when the liabilities are in excess of the assets.

Then, go to the budget of today, after doing all those comparisons and reflecting. The fact of the matter is that the Yukon government, if it extinguished today all its liabilities as of March 31, 2010, we would have retained and remained in a net

financial resource position of \$69.4 million. That is Yukon's savings account.

Coupled with that, we also have close to \$200 million — actually, it's now over \$200 million cash in the bank. When you consider that fact, the Yukon government has many more options today than Yukon had available to it in the past.

So, there it is — apples to apples. I'm hoping I've explained it in a manner that is helpful because that has been my intention.

Just quickly, the facts are that we now have about \$246 million in the bank and we have, at year-end, March 31, 2010, a savings account of \$69.4 million that we are obviously using for the future. Even our fiscal framework shows where the trajectory and the trend is going, and it continues to be a positive one. I hope that helps the Leader of the Official Opposition.

Mr. Mitchell: I wasn't sure if the Premier had concluded. He just sort of went walk-about there.

I guess we are making some progress, because the Premier managed to say, before referencing the Auditor General, that he's not blaming anybody. So we wonder what the Premier meant, for example, when he reacted to the Auditor General's findings that the government's investments of \$36 million in asset-backed commercial paper, which happened under his watch, were not in compliance with the Yukon's *Financial Administration Act*. The Premier called that "just her opinion". Perhaps when he's next on his feet, he can explain that.

Perhaps when he's next on his feet he can explain whether that was blaming someone or not — blaming the Auditor General, just her opinion.

Now the Premier made reference to prudent fiscal management. I wrote it down because it had such a nice ring to it. So I will ask the Premier this: does the Premier think that his \$36-million purchase of asset-backed commercial paper in the summer of 2007, at a time when the housing market, the mortgage market and a lot of other financial markets were on the verge of a meltdown, was an example of prudent spending or reckless spending? Because the Premier talks about prudent fiscal management so I'd like him to answer that simple question. He is ultimately responsible for it — not officials; the Auditor General made it clear that it is the Finance minister who is responsible for it; that's how the chain of command works. So I don't want the Premier to blame officials or imply that we're blaming officials. We are blaming the Premier for not taking the time to look at a single one-page long list of investments — does he think that his \$36-million purchase of asset-backed commercial paper in the summer of 2007 was an example of prudent spending or reckless spending?

As far as the \$246 million in the bank, the Premier knows that's not all there just ready to spend on whatever his next project is; much of that money is committed to offsetting liabilities and that's why that number sounds large, but much of it is committed to covering liabilities that the government has. So, again, prudent investment or reckless spending, the \$36-million decision to purchase asset-backed commercial paper — I want to make sure the Premier has heard it, so I've said it a couple of times — in the summer of 2007?

Hon. Mr. Fentie: I understand there's a question from the Leader of the Official Opposition. The investments that government has made for many, many years — all-inclusive — have actually produced a very positive outcome for the Yukon. In total, all-inclusive, we are now at about \$17.8 million of earnings, not losses.

Now in regard to the member's question about the investment in this particular area of asset-backed commercial paper, which had gone on for many, many years — we'll accept the Auditor General's opinion on the matter. We accept the fact that officials in good faith made investment decisions as they always have in the past and will continue to do today. We also were party to a large process that included many dealing with the issue, and that resulted in exchange of notes and going from short-term maturity to long-term maturity.

Frankly, the answer to the member's question is, I think investments for the Yukon Territory by governments has been made in the best and most prudent manner possible. All things considered, these investments have earned millions of dollars for the territory by way of return, and the investments in the longer term notes are such that for those who would like to sell those notes before maturity, that's their business. That's the way the markets work. If you sell, you get what you get. The key to those who are continuing on with the long-term notes, obviously, is to reach maturity.

That's the way it is. Investments are a good thing, and they've been positive for the Yukon.

Mr. Mitchell: Well, you know, the Premier must have had a very, very interesting time when he was back in school, when he was a student, because he persists on answering questions that are different from the questions that were asked. I asked the Premier a very simple question about his decision to authorize investments, and he referred to previous government, the sum total of all investments over a long period of time, several things, and he basically answered a question of his own choosing. He was sort of asking and answering the questions here.

We'll try it again, so that the Premier can focus on the actual question. We didn't ask about officials; we asked about the captain of the ship, the person who is in charge. Does the Premier think that his decision — his — since he has the oversight authority, not officials — to purchase \$36 million of asset-backed commercial paper in the summer of 2007 was an example of prudent spending or reckless spending? I think most Yukoners think it was pretty reckless.

For the Premier's benefit, I've asked that question of a couple of his predecessors. Did they look at the list of investments? Did they supervise it? You know, even in an NDP government, which this Premier sat in — even in the NDP government that he was part of, his former boss, the former premier, told me he did look at the list of investments monthly. He did check to see what they were; he was interested in whether they were ethical investments and a number of other matters. It's not a very complex task. I'm sure he meets on a very regular basis with senior Finance officials.

Again, it's not a sum total of all investments, not what previous premiers did 10 or 15 years earlier when, I might point

out, asset-backed paper was a very different instrument than what it changed to in around 2002 or 2003, when it started to be full of collateral debt obligations, credit default swaps and derivatives.

So does the Premier think his decision was prudent spending or reckless spending?

Hon. Mr. Fentie: If the member's assertions are correct about past Finance ministers looking into the investments of the Yukon, then the question that comes to mind is: why, then, did the investments continue in asset-backed paper? Further to that, is the member actually now blaming the Auditor General for all those years and all those public accounts for accepting the investments in this area for some 20 years as valid? Is that what the member is suggesting?

Furthermore, unlike what the member is referring to — past governments — it's this government that actually produced a policy to ensure that this doesn't happen again. So, you know, is the member asking me if investments — in fact, I'll go further — the expenditures and investments of the government in all facets are prudent?

Yes, they are prudent and the proof is in the pudding. The proof is all across the territory in infrastructure. The proof is across the territory in education investment and in health care investment. The proof is happening in the territory with the growth of our population. The proof is happening right now, before the members' eyes, in our economic development and growth, and the proof goes on and on and on.

Here is another example of proof. What was once \$400 million in fiscal capacity for the Yukon Territory is now a billion plus, Mr. Chair. What was once deficits, Mr. Chair, is now seven years of gain, which has resulted in investments made by the government that are \$155 million less than we have taken in. Of course, that is prudent — very prudent, because we are growing our fiscal capacity during that time. When the global cycle hit, the Yukon, unlike in the past, was much better prepared to manage our way through the global cycle. Here is another example of prudent investments. The fact is the global cycle has not impacted the Yukon Territory one bit. Quite the contrary. The global cycle has not affected the Yukon at all; in fact, we are experiencing growth and investment in sectors that in other parts of the country have simply disappeared. Yes, the investments have been very prudent, Mr. Chair, and indeed the budget before us — the supplemental budget — is an example of the first budget ever where the Yukon has reached \$1 billion of investment. It's very prudent, all things considered and what benefits are accruing to Yukoners.

The main estimates for 2010-11 — again, the largest budget in the history of the Yukon — is another example of very prudent expenditure and fiscal management. What else can I say, Mr. Chair? The proof is in the pudding. Prudence is evidenced across the territory; the benefits continue to grow for Yukoners and the quality of life is dramatically improved from what it was in the past. Yes, Mr. Chair, to the member's question: prudence has been a hallmark of the Yukon Party government.

Mr. Mitchell: Well, Mr. Chair, I was going to let it slide by the first time the Premier said it, but just out of respect

to a certain retired former teacher in the City of Dawson and continuing columnist and newspaper editor, who sent me an e-mail to correct me when I said the proof was in the pudding once — apparently the correct statement referring to the literary quote is: "The proof of the pudding will be in the eating." We certainly don't want Mr. Davidson to be sending the Premier emails, so we'll leave it at that. The proof of the pudding that will be in the eating, for this Premier, is that he has got to eat his first deficit budget.

We wonder how it tastes. The Premier, when he was on his feet, said that he hoped that we weren't criticizing the Auditor General, or blaming the Auditor General. I want to make it clear that the only MLA, to my knowledge, currently in this Assembly that has done that is the Premier — not the people on this side. We have not been the ones who have blamed the Auditor General. It was the Premier who said, "That's just her opinion; we have others." So, I believe that's called projection, when you ascribe to others the things that you've done.

Mr. Chair, let's try it a different way. When did the Premier first become aware that last year's budget was heading into deficit? Was it in November, December or January?

Hon. Mr. Fentie: It's pretty hard to become aware of something that simply isn't happening. Now we've gone through the apples to apples comparison. The member's opinion is the member's opinion. Nothing will change that and we'll leave that to the members opposite. We've expressed our position, we've tabled all documents and it all speaks for itself. The response to the member opposite is we have been aware for many years now — seven of them, going on eight — that we are taking this territory in the right direction. One of the areas that that is most prevalent and most visible is the fiscal capacity of the Yukon Territory because of prudent fiscal management and prudent investment.

Mr. Mitchell: Oh, Mr. Chair, I would so love to add some levity to this debate if it wasn't such a serious one. I can't quote any of this. I will simply refer the Premier to the February 2010 *up here Business* — the section titled "Overtime" and let the Premier know he's got his very own app that has been developed for a Smartphone. I encourage him to read it after-hours.

Chair's statement

Chair: If you imply something, it's the same thing as doing it. So if you're not able to read the app, you're implying that there's something wrong with it. So, Mr. Mitchell, it is out of order to do that. I would hope you won't do that again. Let's move on to debate the supplementary, please.

Mr. Mitchell: I could read it, but I'm not certain, so we won't.

We've asked some questions here today, but we're not getting answers. I guess we'll try some different questions, and then we'll go back to the Premier's favourite question.

The Auditor General of Canada — since he says we don't want to blame her and we respect her — has not yet signed off on last year's books.

A large part of that, of course, is because we haven't been able to come up with acceptable audited financials for the past two fiscal years from the Yukon Housing Corporation. When

does the Premier expect to receive an opinion letter from the Auditor General? It was due on October 31, 2009, as part of the public accounts. Can the Premier update us on when that will be forthcoming?

Hon. Mr. Fentie: The situation at Yukon Housing Corporation is one that, when it became evident that there was a delay, the Department of Finance immediately provided human resources and assistance to the corporation. All matters pertaining to the financial statements for the Yukon Housing Corporation have been provided to the Auditor General. We are now awaiting the Auditor General to conclude.

The fact of the matter is, Mr. Chair, the Auditor General did not sign off on the public accounts; however, clearly the Auditor General has reviewed all of our financials and has essentially proceeded with the assessment and audit of the remaining issue, and that is the finances from the Yukon Housing Corporation.

So I can't give the member a response in terms of what timelines or what date the Auditor General will have concluded the work that is necessary on their part, but I can assure the member that the Department of Finance and the Yukon Housing Corporation — all involved here in the Yukon — have certainly concluded their work, including — as far as I understand — for 2007-08, responding to all questions that the Auditor General has had on the issue.

Mr. Mitchell: I think the answer we just received in the House from the Premier was a giant "he doesn't know". I'm wondering whether the Premier can educate us on what steps were taken at the end of the previous year when, again, the first year of several years — 2007-08, I guess, three years previous — when it developed that there was a problem with the lack of accountability of the numbers for the Crown corporation. It seems like we've waited an awfully long time now for this problem to be resolved.

Hon. Mr. Fentie: You know, Mr. Chair, here we have the Leader of the Official Opposition once again keeping things very consistent when it comes to the Official Opposition's view of officials and people who work outside of this Assembly. The member has just suggested that there is an accountability issue with people at the Yukon Housing Corporation. I would assume — given the fact that the Department of Finance immediately provided assistance for the Housing Corporation when it became evident that they were having some challenges in getting their year-end done — I'm assuming now that the Leader of the Official Opposition is suggesting that there is now an accountability issue with the individuals from the Department of Finance.

Mr. Chair, this is absolutely unheard of. In the history of this Assembly, I don't think anyone can point to an era when this number of statements that relate to the opinion and view of an Official Opposition toward public servants and others who work diligently on behalf of the Yukon public — I don't think there has ever been a time or an era where such a continuance of this approach has been in existence.

Accountability? The purpose of doing what we've done is to ensure accountability. That's why we have gone to work as

we have, and that's why the Auditor General has been provided any and all information that can possibly be provided.

We have to look at some other factors here. We also have assumed responsibility for the financial statement preparation as of August. Of course, you can't really have a closure of a fiscal year if the one previous has not been closed, because you won't have actual start numbers.

Accountability? This is astounding — how the Leader of the Official Opposition and his colleagues perceive people who are out there working, trying to do a job.

Nothing's perfect and I think that this is an affront to the officials of the Yukon Housing Corporation and the Department of Finance and it even brings into question an accountability issue with the Auditor General's office, which has been working on these statements for some time now.

The member did get an answer and the member will know as soon as we know, because the Auditor General will provide the necessary finality to the matter, but we're certainly not accusing anyone of an accountability issue, like the Leader of the Official Opposition just has.

Chair's statement

Chair: Order please. I do want to have both sides realize that debate is getting personal, and accusing somebody of not having accountability is definitely going to lead to even more discord in this House. Members, please let's focus in on the budget and the supplementary that we're debating today.

Mr. Mitchell, you have the floor.

Mr. Mitchell: We'll try to do this in the proper way, but I do have to respond to the last statements. There's no doubt, I must.

Here is what is truly unbelievable, Mr. Chair, and it has to be said into the record: a Finance minister who refuses to accept his responsibility as the elected member and the Finance minister for all that occurs under his watch. Now, Mr. Chair, let's make this very, very clear.

I can see that the Member for Porter Creek North is shocked and bemused by the statements that he has just heard on this floor from the Finance minister. Officials, Mr. Chair, do their job. When we ask questions in this House, we don't ask them of officials. In Question Period, officials aren't sitting in this House. In Committee of the Whole, they sit there as advisors to ministers. They don't get to stand up and answer questions. We don't ask questions of officials. We don't make accusations of officials in terms of how they do their duty. We know that they do their duty above and beyond the call, Mr. Chair.

So let's be very clear. That was a neat little turn of phrase but what just occurred was a Finance minister blaming officials. When we asked a question of the Finance minister — when we asked about accountability, whether it be of the Yukon Housing Corporation numbers or any other numbers in this budget or in the public accounts, we're asking the questions of the elected representatives who serve in the executive branch of government, which is the majority side — the government side.

That's who is accountable, Mr. Chair. Surely the Finance minister learned that in his school days. Surely he understands that, because we do on this side. The questions are questions of accountability of a Finance minister. If we asked the Finance minister when he anticipates being able to close off the books for the previous year by receiving the opinion letter from the Auditor General's office, we're not blaming the Auditor General. We're not blaming people who are working in the department; we're asking a question of the minister. The minister should take responsibility. He takes the paycheque; it comes with the responsibility. Surely, surely the Finance minister is not going to blame officials for everything that happens under his watch. That's shameful, Mr. Chair. That's reprehensible.

Hansard will show that we asked questions of the Finance minister, who is supposed to accept responsibility. The Finance minister told us a year ago that we would have a surplus budget of \$19 million. I'm sure if we go back and look at *Hansard*, he said we're projecting a surplus of some \$19 million — \$19,388,000.

Now he's tabled something very different. He's telling us, "Don't look at this number. The really meaningful number is a different number." Why does he bother to have on the page surplus and deficit for the year? What do the brackets mean? As he said earlier today, that's finance 101. They mean the number is a negative. It's a deficit. So, surely, surely there's no need for this Finance minister to stoop to blaming officials, whether it be for asset-backed commercial paper investments that he was supposed to be supervising or deficits that he has delivered but can't acknowledge on the floor of this House. It's such a simple question. We could have had it answered a couple of hours ago. When did the Premier realize that his budget was slipping into deficit for the current year, meaning the year just ended? When did he realize that it would be a deficit? Does he understand that \$23,096,000 in brackets is a deficit?

What does he think "surplus deficit" for the year means? What does that line mean on the page, Mr. Chair? Not what a different line means. Not what the net financial position is. What does it mean? Can he even explain that, Mr. Chair?

Chair: Is there any further general debate?

Mr. Cardiff: I would like to try and just bring some clarity to the question of debt and deficit. I heard the Premier speak earlier in this conversation, if we can call it a conversation, about the fact that they are intending to spend part of what is known as the net financial resources or the accumulated surplus.

I recognize the government has money in the bank to cover off liabilities, whether they're environmental liabilities, or whether they're liabilities with regard to employee benefits. The reality of the matter is that, in my view and my understanding of deficit, when you look at your revenues versus your expenditures, it has nothing to do with what you've got in your savings account. I recognize the fact that the government has a savings account and, if you want to look over the period of a number of years, this government has continued to spend money out of the savings account, whether it's on projects or to cover off liability.

I don't have all the figures in front of me this afternoon, but my recollection is that it wasn't that many years ago where, if you looked at that line — that is currently on page S-2 of the supplementary budget and now reads \$69,430,000 net financial resources at end of year — and the explanation about that, it wasn't that many years ago that that number was, I believe, \$155 million or more.

Now, what we need to do is look at what the government took in as revenues and what it spent. The reality is that the government spent more last year than it took in, and that resulted in — on page S-1, it says: "Surplus (Deficit) for the Year", and "deficit" is in brackets.

The \$23,318,000 that is on that line, on page S-1 of the supplementary budget, is in brackets, and that is a deficit. The Premier doesn't want to admit that the government spent — whether it was on booking liabilities or on projects — \$23 million more than it took in.

I'm not saying that other governments in the past haven't done that, but what we're concerned about is the fact that the number on the next page — that the net financial resources at the end of the year is now about \$70 million. It was only a few short years ago that it was actually double that or more.

What we're concerned about is that if the government continues to go down this road, the net financial resources — the savings account of Yukon taxpayers — is going to be spent. The government needs to exercise a little bit more prudence — maybe that's one word you could use — but it needs to think about the long-term vision. We've had an exceptionally good run — that would be one way of putting it, I guess — where dollars from Ottawa have flowed freely from the federal government for a variety of reasons.

The way that it was explained to me — one of the reasons why the transfer from Canada has increased over the years is because increased spending by provincial and territorial governments and municipal governments has contributed to the formula that has seen those transfers rise.

What we know is that the federal government is running deficits and that the federal government is in debt, and that eventually, they've indicated — Minister Day is looking for ways for the federal government to save money, to reduce its expenditures. Sooner or later, provincial governments — and provincial governments are looking for ways to reduce their spending.

If that's how the formula that defines how much revenue we get from the federal government works, and provincial governments are in the process of looking for savings in the transfers to municipal governments — the amount of money and resources available for them to spend on their infrastructure and programming — are reduced, then that is going to eventually have a negative effect on how the federal transfer to the Yukon is calculated.

This is further compounded in our minds by the fact that the government has encouraged Crown corporations in the territory to go out and borrow money for infrastructure projects.

The fact that the government and the taxpayers of the Yukon are ultimately going to be responsible for that borrowing, for those mortgages that are taken out in order to build

those infrastructure projects; ultimately — well, they're off the books right now — down the road, many of those debts will appear in the public accounts and the cost of that borrowing will be borne by the taxpayers. It doesn't matter whether part of the money that's being used to finance the Mayo B project is in the rate base and part of it is a loan, the reality is that the money that's being borrowed is being guaranteed by the government. The principal and the interest are going to be paid by the taxpayers. It doesn't matter that most taxpayers are ratepayers. In fact, there probably aren't any taxpayers — or very few taxpayers — who aren't ratepayers, unless they live off the grid.

The other concern about projects like this is the fact that the government is risking by risking the expenditure of these funds by the haste with which they're pursuing the projects. The Auditor General has cited this on numerous occasions. It doesn't matter whether it's with relation to Yukon Energy Corporation — the Mayo-Dawson line — and the risks that were taken and the way that that project was managed — not just by the government of the day, but by the corporation, I might add.

But when you look at some of the other reports that the Auditor General has done — and one of the things that consistently comes up is risk management: managing that risk and ensuring that projects aren't rushed. We believe Mayo B is being rushed — and the fact that this government believes that the regulatory process doesn't need to be complete before beginning a project. If it were a private sector company, the decision-makers would not grant approval for a project to proceed until all of the regulatory processes had been completed.

I don't believe that they would make huge investments and sign contracts worth \$60 million or \$70 million to proceed with a project before they had all the regulatory approvals in place. But the government seems to support that idea. We don't think that's proper risk management; something that the Auditor General has pointed out in numerous reports, whether it's in regard to the Mayo-Dawson line, the Department of Highways and Public Works or the recent report about Yukon Housing Corporation.

So those are some of the concerns that we have. What we're seeing is the government's and the Premier's unwillingness to admit that their spending last year — they're basically saying that they spent more money than they took in. The Premier doesn't want to — it says right there on page S-1 that it's a \$23-million deficit. What we're concerned with is — and this was one of the Premier's favourite lines at the beginning of his first term — that they couldn't continue the trajectory of spending.

Well, they managed to increase the trajectory of revenue, but there's no guarantee that that's going to continue. I see the Premier is pointing to, I believe, the five-year plan, which projects what those revenues are going to be. But there's no guarantee that those revenues are necessarily going to be there, based on the formula, if spending in provinces and territories goes down, because that's part of the formula.

As I said, the federal government is looking for ways to find savings and to spend less money. Provincial governments are looking for ways to save money, because they don't want to

run deficits and they don't want to have debts on the book. What we've seen is our accumulated surplus dwindle over the past few years to the point where now it's \$70 million.

I don't have the mains in front of me but it is, I believe, predicted to be \$40 million at the end of this fiscal year. So the savings account is going down. What are the Premier's intentions? How does he intend to ensure that our savings account, our accumulated surplus, our net financial resources — I'm not talking about the money that is there for liabilities or to cover off the asset-backed commercial paper or employee benefits or environmental liabilities; I am talking about the actual money that is available that isn't there to cover off liabilities. How is he going to ensure that the money is there when the economy is turned down and the transfers because of the formula are reduced?

Hon. Mr. Fentie: Mr. Chair, in the first place, the member is referring to numbers in the budget that are not accumulated surplus numbers at all. So I have to go back to this issue of accounting. The governments of the past, when a great deal of fixation was on accumulated surplus deficit vis-à-vis the *Taxpayer Protection Act* — the accounting of those days is no longer the accounting of today and we have to understand that so that we can have the debate on how all this actually does work.

Though I understand fully where the member is coming from, I have to impress upon the member — in his assertions on the budget document, we're not talking about the accumulated surplus position when we deal with a net financial resource position. That's critical here because full accrual accounting is what creates our accumulated surplus as it is today, which is, at the end of 2009-10, some \$524.1 million. That's because in full accrual accounting, we are also calculating the value of our assets. That value is extremely important to future generations of the Yukon.

Let me move back now to the issue the member is referring to, of net financial resource position. If we compare the budgets of today, to the extent possible — because there is a dramatic change in how we account under full accrual accounting versus cash accounting.

I think that's the term from past practice. It's almost like running it off a cheque stub. If we go back and do those comparisons, the net financial resource position in the budget documents that have been tabled in this House now since 2004 or 2005 — give or take — under full accrual accounting, the net financial resource position is comparable to what the member referred to in previous budgeting of accumulated surplus/deficit. Okay so far?

So that comparison means that in the budget of today, we sit with a net financial resource position of \$69 million, and that is comparable to what would have been an accumulated surplus/deficit position in past budgeting. However, there are factors here that would not have been applied in past budgets, which are applied today.

Now, the member has a very important point that I will endeavour to try to explain. I think anybody, any government, any elected individual, any person in business — we all emphasize and focus on the way ahead because that is critical.

Living for today is not a good practice, even in your household. You must plan ahead. It's critical — if you have children, you have to plan for the eventuality of school — first elementary, then secondary and then post-secondary — this is all financial planning in a household. Then there's the mortgage and the need for other things — a vehicle. Then there's the issue of — you know, people like to have a lifestyle. It all costs money, but it all takes planning.

So the first point that I will make, Mr. Chair, is that the budget document in its entirety is about planning and it's about planning from today into the future. That process and approach has been in effect since the Yukon Party government took office. We began with our first budget in making decisions in the day with a very clear focus on the way ahead.

On the issue of formula, one should not speculate what's going to transpire with our formula. We know today — and this is what we use for our planning — that there will not be reductions. That's coming right from the federal minister. The member has picked up on a mechanism that is in the formula amongst many, many other mechanisms, including the fact that we now have over 30-percent retention of own-source revenues, but I think the member is referring to provincial local expenditures. I believe that's what the member's referring to.

We have to make sure that we understand that those values and calculations are done on a two-year lag with a three-year rolling average, so it would not be prudent fiscal management to speculate on that and allow the mechanisms in the formula to do what they're intended to do, because the whole calculation is required before we get to the actual transfer from Yukon. We have to keep in mind that our own-source revenues are growing. Coupled with that, we have a 30-percent retention factor. We have to calculate and keep in mind that our population continues to grow.

So all these factors will result in what will be transfers going forward into the future, and our estimates are very conservative in that regard, Mr. Chair — conservative because in planning ahead and looking forward, we recognize what the member of the Third Party is talking about, and one of the steps we've taken is to apply a very conservative estimate into out-years. I hope that helps the member so far.

Now, the issue of expenditure and spending down the net financial resource position of the past — and I know the member has certainly demonstrated there is a concern here, but I think what I have to explain to the member is there are good reasons for this. Essentially the reasons are that funds like the northern strategy, for example, are funds that are time limited and are commitments to the federal government and must be expended. So once they are spent down and extinguished, they are no longer in our asset calculation. That is for the most part what drives that difference. But if you look going forward where those are no longer in existence, the member surely will see that there is continuing to be a healthy financial position.

Secondly, the member would notice that there is a reduction in capital investment. And if the member were to refer to the long-range capital plan, then it will be clear that there are already capital commitments into out-years, as far as 2014, that are affecting these values and factors in the budget document.

The salient point is that a reduction in capital is very visible from previous years. So that, again, is another way — and a very conservative approach, once again — in how we are making sure that we're not mortgaging the future and spending today in a manner that would compromise that future. Quite the contrary — we are investing and budgeting today to solidify the future and to ensure that there is an ongoing savings account for the government into the future.

But we've taken it out to 2014, and I can categorically state to the member opposite that 2014 and beyond will require, once again, when we go through the next fiscal year and the year after, this will start to extend out.

We can't present that today, but the trend here — if the member would agree by just looking at the budget document — the member can see the trend is going upward. I think that's important to recognize: the trend is going upward in what the net savings of Yukon is going to be, but also the accumulated surplus continues to go upward.

The other part of the capital issue is that we have been, over the last number of years, addressing what is an infrastructure deficit in the Yukon and what that says is what we've accomplished to date and what is in the budget in terms of investment and on the capital side is important because it is infrastructure that is being put in place today, that will be in use long into the future, which means we're not going to build the same asset again and again going forward, but it will become part of what Yukoners will be able to access and benefit from long into the future.

We have to — this is a principle, a matter of principle. It is that what we're doing today is not just for the Yukon public of today but predominantly for the Yukon public of tomorrow.

That brings me to now, if I may segue into the issue of the corporations — first off, both the Hospital Corporation and the Energy Corporation/Yukon Development Corporation are acting within the confines, the restrictions, the requirements and obligations that they have under law. In other words, they are exercising their mandate. What the government is doing is being supportive of that. Being supportive of that means we as the government of the day are investing in infrastructure that will be accessible and useful, and will benefit Yukoners long into the future. We are supporting the corporations in putting that infrastructure on the ground, but we're also doing it in a manner that the taxpayer of today does not pay the full value of what future Yukoners will benefit from, but we are amortizing that out through the fullness of the useful life of said assets. So, on balance, it is about prudent fiscal management, and that approach to management continues to maintain the savings account. It does not mortgage the future, but in fact contributes to the future. It results in the fact that the Yukon continues to maintain a healthy financial position.

The Yukon has more assets on the ground in use from today, long into the future, that will benefit Yukoners. On top of that, all the activity being generated is generating revenues and cash flow and contributing to our economic well-being, now and as we go forward. As our population grows, that also means that the ever-increasing population has access to these assets and facilities.

The member talked about risk. Well, there's risk in everything, but the difference between what happened with the Yukon Energy Corporation in the past and what's happening today is we actually go before the Yukon Utilities Board. We allow that process to happen and have it reviewed.

Now, the member has an issue with the fact that there are concurrent processes ongoing. Under the circumstances, the Mayo B project, as presented by the Energy Corporation, does two things. Actually, it does three things. It allows for the first phase, which is the connector from Carmacks to Pelly and the additional connection of a mine site. This is important because it is a great benefit to the Yukon.

The next step is the connector from Pelly to the Mayo-Dawson line at Stewart Crossing. Now the Whitehorse-Aishihik-Faro grid is connected. The last part of it is an increased output level by adding a second turbine at the Mayo dam site. Therefore, under the circumstances of partnership with Canada — because, without that partnership, it would be very difficult for this project to proceed and the Energy Corporation would then be dependent upon diesel use to meet the supply demand.

Now, we've all listened to the Member for Kluane's view on that and that is frankly a waste of time and an overall leak in the process. The bottom line is it will cost millions under the projects of the Energy Corporation — \$20 million a year for diesel consumption when we can put in place greener, more affordable energy production.

So the timelines are such that concurrent processes must proceed to meet the deadlines that the federal government has imposed for a \$71-million contribution to the project. They did due diligence and they concurred that the project has merit and is indeed valid in all areas. That's why they made the decision in the affirmative.

Mr. Chair, I hope that has helped the member opposite.

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

Speaker resumes the Chair

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

Chair's report

Mr. Nordick: Committee of the Whole has considered Bill No. 18, *Third Appropriation Act, 2009-10*, and directed me to report progress.

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

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

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

The House adjourned at 5:31 p.m.