Whitehorse, Yukon
Thursday, December 6, 2007 -- 1:00 p.m.

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

Prayers

DAILY ROUTINE

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

Tributes.

TRIBUTES

In recognition of National Day of Remembrance and Action on Violence Against Women

Hon. Ms. Taylor: Mr. Speaker, I rise to pay tribute to National Day of Remembrance and Action on Violence Against Women in Canada. Mr. Speaker, today's National Day of Remembrance and Action on Violence Against Women in Canada marks the anniversary of the murders of 14 young women whose lives were taken at École Polytechnique de Montreal. They were killed because they were women.

December 6 represents an opportunity for Canadians to reflect and speak out against violence against women in our society. It is also an opportunity to consider the women and girls for whom violence is a daily reality and to remember those who have died as a result of gender-based violence. It is also a day on which communities and each of us can consider concrete actions to eliminate all forms of discrimination against women and girls.

The president of the Native Women's Association of Canada, Beverley Jacobs, was recently here in Whitehorse, at which time she spoke about the many missing and murdered aboriginal women across this country. According to Amnesty International Canada, there have been more than 33 missing or murdered women along a stretch of highway in northern British Columbia, between Prince George and Prince Rupert, dubbed the Highway of Tears. All but one of the missing women is aboriginal.

In the Lower Mainland, a courtroom drama has been unfolding for over a year, where a man stands accused of murdering six women from Vancouver's downtown east side. Many more women from the downtown east side remain missing to this day.

These current events, stories of local women being attacked and assaulted in their own homes, the remembrance of the Montreal massacre in 1989 and the names of women killed in our community still send a chill through our local community of women.

It's hard not to feel immobilized by grief and fear. What these events do, however, is to shock us out of our complacency and make us realize that some of us cannot take our safety for granted. It spurs us to action.

Canada has marked December 6 as the National Day of Remembrance and Action on Violence Against Women, so that we may all speak out and take action to ensure respect, equality and safety for all women and girls in the Yukon.

More and more people are indeed speaking out and are taking action. That gives us great optimism. Just a few weeks ago, over 150 women gathered at two aboriginal women's summits to make recommendations on actions to help them achieve equality in our society. A lot of women talked about how violence, sexism and poverty remain barriers to their attaining true equality. Many commented on the power of many women coming together and speaking out against male violence in our territory. It was also a momentous occasion to see men across this great territory present, listen, learn and affirm women's experience. It was also an incredible experience to see women renewing hope and energy in one another even as they continue these very struggles.

That's the power that is generated by women when we gather together in places of mutual empowerment and strength.

I would like to thank the Victoria Faulkner Women's Centre and Les EssentiElles for their work in our community to raise awareness about violence through their events and public information campaigns during the 12 days to end violence against women, which ends today with this year's vigil.

I would also like to express my appreciation to all the front-line workers, women's transition homes and each of us who take time out every day to take action against violence in our communities.

Thank you.

Mr. Mitchell: I rise today on behalf of the Liberal caucus and join with my colleagues as we did at noon today at the Elijah Smith Building to pay tribute to the National Day of Remembrance and Action on Violence Against Women.

On December 6, 1989, 14 young women were targeted and tragically murdered simply because they were women. We must never forget this terrible loss and never forget that many women continue to live and die in the shadow of violence.

Mr. Speaker, many of us have just come from a very moving ceremony of remembrance at the Elijah Smith Building. There was also call for action -- action that each one of us must take to help end the violence.

Beyond commemorating the loss of these 14 young women, this day represents a time for all Canadians to pause and reflect on the phenomenon of violence against women within our society. In the Yukon we are very fortunate to have centres like the Victoria Faulkner's Women's Centre and Kaushee's Place in Whitehorse, the Dawson City Women's Shelter and the Help and Hope for Families Society in Watson Lake. They provide confidential shelter, support and advocacy to women and children in crisis. While we are grateful for these transition homes and other organizations and the support they provide, it is unfortunate in today's society that there is an ever-growing need for more and more shelters for abused women and children. Violence against anyone is unacceptable; to do so based only on someone's gender is even more unacceptable, if that's possible to say.

This is a day for communities and individuals to reflect on concrete actions that each of us can take to prevent and elimi-

nate all forms of violence against women. It is a long-term goal that can only be realized through lasting change in societal values and attitudes. As men, as husbands, as children and as parents, we wear the white ribbon as a reminder of our responsibility to eliminate violence against women. I encourage all men not only to wear a white ribbon but to behave in a way that promotes equality, dignity and respect for all women.

Thank you. Mahsi' cho.

Mr. Edzerza: I rise on this Day of Remembrance and Action on Violence Against Women on behalf of the NDP caucus. We join with thousands of others who, on this anniversary, still grieve with the families of the 14 women who were murdered this day in Montreal 18 years ago. Their loss is shared by all Canadians.

These vital young women were murdered because they were women. This supreme act of gender-based violence still shocks us and moves us to reflect on the phenomenon of violence against women in our society. It gives us an opportunity to consider the women and girls whose daily reality is living with violence and to mourn those women who have disappeared without a trace.

Remembering these women on this day, we are reminded that it is also a day of action to eliminate all forms of violence against women and girls, action that must reach into every day of the year.

A law and order agenda is not the action that will end violence against women. Punishment does not address the source of that violence. Women and all those people singled out for abuse and discrimination are victimized because they are not seen as equals. The murders in Montreal are symbolic of the value of women's lives in society. Until all women in Canada have economic and social equality, ending the violence is not possible. Fighting violence against women demands a progressive approach to all facets of women's lives.

The ways that people can invest in a safe and secure future for women and girls, and thus for all families. are simple. The paths are clear and open to all people across this land. We must build affordable and safe housing. We must promote a living wage and pay equity. We must support a national public childcare and early learning system. We must guarantee equal access to justice, including legal aid and challenges to governments' own actions.

We must expand support for women's centres and frontline advocacy. Women's shelters must be given core funding guarantees. A rape crisis centre is needed where women who report sexual assault can expect support and protection. These are actions we are all called upon to take on this day of remembrance and in the days ahead.

Speaker: Are there any further tributes?

Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Rouble: Today we're joined by several different classes and their teachers. I'd ask all members of the Assembly to join me in welcoming Mr. Wes Sullivan and Ms. Joanne Seymour and their grade 11 socials class from Porter Creek Secondary School, and Mr. Greig Bell and the ACES program from the Wood Street school. Welcome.

Applause

Speaker: Are there any further introductions of visitors?

Returns or documents for tabling.

TABLING RETURNS AND DOCUMENTS

Hon. Ms. Taylor: I have for tabling two pieces of correspondence pertaining to perceived conflicts of interest.

Speaker: Are there any further documents for tabling?

Reports of committees.

Are there any petitions?

Are there any bills to be introduced?

Are there any notices of motion?

NOTICES OF MOTION

Hon. Ms. Horne: I give notice of the following motion:

THAT the Yukon Legislative Assembly, pursuant to section 17(1) of the *Human Rights Act*, reappoint Melissa Atkinson and appoint Glenis Allen to be members of the Yukon Human Rights Commission.

I give notice of the following motion:

THAT the Yukon Legislative Assembly, pursuant to section 22(2) of the *Human Rights Act*, reappoint Barbara Evans as Chief Adjudicator of the Yukon Human Rights Panel of Adjudicators and appoint Michael Riseborough and John Wright to be members of the Yukon Human Rights Panel of Adjudicators.

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

THAT this House urges the Yukon government to satisfy requests from its own officials who feel uncomfortable with the nature of political instructions and request them in writing.

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

THAT it is the opinion of this House that

(1) the gross domestic product, better known as the GDP, which sets a monetary value based on adding consumption, investment, government spending and exports less imports, is an inadequate and flawed measure of the welfare of a society;

(2) a genuine progress indicator, GPI, as developed by non-profit think tanks like the Pembina Institute in Alberta, GPI Atlantic in Nova Scotia, and used by national governments in France, Germany and the Netherlands, is a better measure of a society's progress;

(3) the genuine progress indicator, GPI, for Alberta looks at 51 economic, social and environmental indicators, including economic diversity, weekly wage rate, household debt, income distribution, unemployment, underemployment, parenting and elder care, volunteerism, life expectancy, obesity, suicide, drug use, voter participation, energy use, water quality, greenhouse gas emissions, ecological footprint and other indicators to cre-

ate a more holistic and complete picture of well-being and progress; and

THAT this House urges the Premier to task the Yukon Bureau of Statistics with developing a Yukon genuine progress indicator, YGPI, based on the model used for Alberta by the Pembina Institute that looks more holistically on our social, environmental, economic well-being and provides yearly YGPI updates to the public.

Speaker: Are there any further notices of motion?

Statements by ministers.

This then brings us to Question Period.

QUESTION PERIOD

Question re: Medical travel program

Mr. Elias: I feel compelled to wade in to the issue of a patient advocate and the concept of a Yukon house for Yukoners who must travel to southern cities to receive medical care. So I have some questions for the minister responsible for Health and Social Services. Many Yukoners who must travel out of the territory for medical procedures find this prospect to be a scary proposition. This is particularly true for rural Yukoners. Imagine how it would feel living in a community of fewer than 300 people and being dropped into a city with a population of over one million, just because of some bureaucratic policy. The prospect of this journey just adds to their already stressful medical situation. They need a place to go to that is like a home away from home, where they feel welcome and comfortable among other Yukoners.

Can the minister tell this House if he's in favour of working toward such a program?

Hon. Mr. Cathers: It's very frustrating engaging in debate with members opposite when they not only don't listen to the answers to questions, but don't pay attention to debate in this House. In fact, we have already signed an agreement with the Capital Health Authority in Edmonton to provide a patient navigation program. Agreements are pending in Vancouver and in Calgary. The program in Edmonton is not yet up and running; we've had some challenges with that because we are contracting with Capital Health Authority, the health authority in the Edmonton region. The process is underway to provide the patient navigation program to assist those travelling outside the territory to be assisted in accessing appointments. That has been announced -- $150,000 is allocated in this fiscal year for those three programs collectively. We look forward to that service being fully up and running.

With regard to the issue of a residence, that is quite simply not the most cost-effective solution.

Mr. Elias: I think part of the problem here is that the minister isn't listening to the specific problem that Yukoners have brought forward, and it deserves specific attention from him.

I recently travelled to Vancouver and had the opportunity to speak with some Yukon patients and their families at the Vancouver General Hospital. This issue was the first item of their concern. I'm trying to help properly solve this problem, and the response of the minister is to simply brush this problem off. I think what the minister needs to do is put himself in the shoes of senior citizens who need hip replacements and who are apprehensive about travelling to Vancouver to do so -- or other Yukoners with language barriers who have to face the maze of rigid administrative procedures -- or a Yukoner who has just never been to a big city. I'm willing to work on the concept of a Yukon house and patient advocate with the minister, and I also feel that a First Nation and a franco-yukonnaise partnership could be a result of this problem being solved.

Can the minister at least commit to a cost-benefit analysis for a Yukon house concept with a patient advocate and report back to this House on its findings?

Hon. Mr. Cathers: The member has not really altered his script beyond prefacing it with a suggestion that I didn't listen to his question. I did listen to his question. I point out to the member opposite that the patient navigator program entails having a structure in place where someone will assist people in accessing appointments and ensuring they don't miss appointments. This person would generally help move the patient around the city, because people, particularly from communities such as the member's riding and other areas, may find that entering a big city can be an intimidating experience, even for people who are very familiar with it. Having to travel across cities to find different buildings can be challenging. That's why we have already signed the contract with Capital Health Authority in Edmonton, and that program is in the process of being set up. That's why officials are working on concluding agreements with the health authorities in Calgary and in Vancouver to put similar programs in place, which again we refer to as "patient navigation", not an "advocate", as is the member's term, but basically that's a semantic difference. What we're doing here is providing someone who will facilitate, ensure people access appointments and ensure they understand what they have to do to get the treatment they need. The issue of a housing unit is simply not cost-effective.

Mr. Elias: I am going to have to put this minister on notice that he's going to be dealing with a lot more than me asking questions if a Yukoner gets sent down for medical travel and gets hurt. I will tell you that.

There are examples out there where this concept has been quite successful around the country, and he is just brushing it off. What I am asking is that we make sure that Yukoners are looked after when they travel down south. It's an issue.

This is envisioned as a place where the staff truly understand and appreciate the ways, traditions and cultures of Yukoners and are sensitive to Yukoners' needs and requirements. I hope the minister can understand that concept. I am willing to work with him on it.

It's time for this government to step up to the plate and do something about this. Again, I am willing to help. Can the minister commit to a timeline on getting this Yukon house and patient advocate study done?

Hon. Mr. Cathers: I don't know how many times I have to answer the same question. It would be very helpful if the member would adjust his script or simply not ask follow-up questions if I've answered the question, which I have.

On the issue of patient navigation, the patient navigator program is already allocated in the budget under the medical travel fund in the 2007-08 fiscal year -- this current fiscal year. The money is already set aside. The agreement has already been signed with the Capital Health Authority in Edmonton. That program is on its way to being up and running. Work is underway to conclude similar agreements in Calgary and Vancouver with the respective health authorities.

The idea of setting up a bricks and mortar structure is simply not the most cost-effective solution for Yukon citizens. We assist them through the medical travel subsidy. It is far more cost-effective, rather than us running a building down south, to continue to enhance our special services in the territory as well as make enhancements to the medical travel program. We will be making those enhancements later this fiscal year or early in the next fiscal year to improve timely access to care.

Question re: Whitehorse Correctional Centre, female inmates

Mr. Inverarity: Mr. Speaker, I have some questions for the Minister of Justice on some contradictions. During Question Period on Tuesday, the minister stated, and I quote: "Inmates are not being released early due to space requirements." The minister then stated, and I quote again, "If counts rise, alternative forms of custody may be sought." The minister further stated, and I quote again: "One [inmate] was placed on temporary absence following an appropriate assessment."

The minister has stated that inmates are not released early because the jail is full. The minister then stated that at least one inmate was temporarily absent. Well, it can't be both ways, Mr. Speaker. Would the minister care to explain this contradiction?

Hon. Ms. Horne: Mr. Speaker, I reiterate that no inmates are let out earlier than they're supposed to be. They can be let out on parole, and that's it.

Mr. Inverarity: Well, Mr. Speaker, perhaps another example might be better in terms of contradictions. When questioned about hiring new staff at the Whitehorse Correctional Centre because of overcrowding at the jail, the minister remarked, and I quote: "I'd like to add that we've had no new employees hired at the Whitehorse Correctional Centre." Well, Mr. Speaker, a spokesman for the Department of Justice had something very different to say, and according to the Department of Justice officials at least eight additional corrections officers have been hired since last July. Can the minister explain this contradiction?

Hon. Ms. Horne: Mr. Speaker, I'd like to correct the member opposite. There have been 11 new employees hired in this period, and I reiterate, to answer the member opposite's question, the Department of Justice has not created a new position or hired a new correctional officer specifically to deal with the numbers at Whitehorse Correctional Centre.

Mr. Inverarity: Well, Mr. Speaker, my understanding is that 11 have been hired since January and only eight have been hired since July. So perhaps we might get it right.

Speaking of that, Mr. Speaker, money is overflowing from the public purse to prop up the condemned building. The jail is full to capacity and the only contingency plan is to let inmates go home free while we wait for a new space plan that won't be here until next spring. The minister probably states that the new jail won't be finished until 2011.

Well, Mr. Speaker, day after day we question the government on issues of public concern, and day after day this government shamelessly blames everyone else for its owns failures. The minister says that there is no new staff at the jail and that there is new staff at the jail. The minister says that the inmates are not being released early and they are being released early. Will the minister please clarify these statements once and for all?

Hon. Ms. Horne: I can't remember exactly the questions in order, but again I reiterate that no new officers have been hired in accordance with the numbers at Whitehorse Correctional Centre. The women are not being let out early due to conditions at Whitehorse Correctional Centre. There is an operational issue. They are let out at all times. I can't remember the last question.

Question re: Fleet vehicle supply contract

Mr. Cardiff: Mr. Speaker, last fall the government agreed to purchase 11 compact sport utility vehicles from a local company for a total price of $225,918. The supplier was subsequently assessed $11,103 for late delivery. After the Premier and the minister intervened, that late delivery charge was reduced to $5,590. In other words, the net amount the government paid for those vehicles was $220,328. How many other qualified bids did the department receive and what were the dollar amounts of those bids?

Hon. Mr. Lang: The members opposite have to understand that we on this side of the House have to listen to Yukoners' concerns and problems and solve problems. That's what we're here to do. I remind people we are here working with Yukoners, and if they cannot raise the issue with us, who can they raise it with, Mr. Speaker?

Mr. Cardiff: Here's the problem. The tender clearly stated that the contract would go to the bidder with the lowest total combined price of purchase price, fuel consumption and maintenance costs. It also clearly stated that delivery was of the essence and that liquidated damages would be assessed on a per day/per unit basis for every operational day of late delivery. If any of the other bidders had known beforehand that any late delivery penalty would get cut in half if they complained to the Premier, they might have submitted a lower bid and won the contract.

Will the minister now be advising all future bidders that there is wiggle room in Yukon government supply contracts as long as they have the Premier's ear?

Hon. Mr. Lang: On this issue, on this matter, the department took appropriate actions, and steps were taken to solve the issue. It was done internally within the Department of Highways and Public Works as it should be done, Mr. Speaker, and the problem was solved.

Mr. Cardiff: I can't believe the minister doesn't understand the difference between listening to citizens' concerns and meddling in a process that should be free of political interference. It's not about selective listening and whom you listen to. In a media interview a few days ago, the minister compared

this situation to someone being unhappy with their property tax assessment.

Is he suggesting that all it takes to get your property taxes cut in half is to call the Premier? That's pretty absurd and that would lead to chaos, Mr. Speaker. The minister's statements on this issue have undermined the credibility of the whole contracting system. That's not fair to public servants who are expected to play by established rules, and it's not fair to the business community.

How does the minister plan to correct the impression that he has left that complaining to the Premier or a Cabinet minister can get a binding contract amended after the fact?

Hon. Mr. Lang: Mr. Speaker, again I remind the member opposite that we are here to work with Yukoners. If Yukoners can't bring their concerns to the elected MLAs in this House and have them addressed, then where can they bring their concerns? The department did the job that solved the problem. The issue was resolved. If there's anyone else out there with concerns, we are open to dialogue. That is what this government is all about. It is to answer the concerns of Yukoners.

Question re: Workers' compensation, injury reporting

Mr. Cardiff: I have a question for the minister responsible for the Public Service Commission. Under the current workers' compensation system, a worker must report a work-related injury to their employer as soon as possible after it occurs. The employer then has three days to notify the Yukon Workers' Compensation Health and Safety Board. The reason for timely filing is obvious. When injuries are not assessed quickly and rehabilitation started in a timely fashion, small injuries can become long-term injuries. These injuries could end up disabling the worker and costing the Workers' Compensation Health and Safety Board through increased claims.

How many times have Government of Yukon departments missed the three-day filing deadline in 2007?

Hon. Mr. Hart: This government is committed to taking all the measures required to meet the obligation under the *Workers' Compensation Act* and provide a safe and healthy workplace for employees. Workers' Compensation Health and Safety Board reporting is the kind of issue that the Health and Safety Leadership Committee and deputy ministers would consider, including the fact that they are coordinated with the corporate tracking method in place.

The *Workers' Compensation Act* states that the claim for compensation must be made in an acceptable form to the board within 12 months of the date that the disability arose. The legislation also states that the employer is responsible to report the work-related disability that comes to their attention within three working days under the information in section 11. As it is with all employers, it is in the best interest of the government to report claims. It is required of government and all departments to do their best to do so.

Mr. Cardiff: On Tuesday, right here in the Legislature, the chair of the Yukon Workers' Compensation Health and Safety Board said that if everybody filed on time, the savings to the system would be huge. I'm sure they remember that; the word that he used was "huge".

Despite the three-day rule, the average reporting time on injuries is 40 days. When I asked the chair how the Yukon government was doing in terms of reporting, he said it's no better or worse than other employers. In other words, the territory's largest employer is also apparently, on average, 37 days late in reporting injuries.

Can the minister responsible for the Public Service Commission tell us what his plan is to ensure that government departments and agencies are complying with the three-day reporting rule?

Hon. Mr. Hart: As I said, it is in the best interests of the government to report claims as required, and all departments are doing their best to do so. The steps and process are that when an employee is hurt on the job they must initiate the claim through the Workers' Compensation Health and Safety Board. After initiating the claim, the employees report that to the employer.

Sometimes there is a gap in the sequence, but when the employer receives notification that a claim has been initiated, the employer forwards the employee's completed report and injury form to the Yukon Workers' Compensation Health and Safety Board, and files it with the employer's report on injury form with Yukon Workers' Compensation Health and Safety Board.

In both instances, the Yukon government endeavours to submit these forms within the three-day period limit to meet the obligation under the *Workers' Compensation Act*.

Mr. Cardiff: It is increased claims costs that are driving up everybody's assessments, and that's what people are complaining about. It's not helping workers who are getting injured on the job.

Delays in reporting could be one of the reasons the Yukon government's assessment rate went up six percent. In 2006, government employees filed almost 400 workers' compensation claims. Next year the board will be enforcing the reporting deadline and handing out fines of $100 a day to employers who file late. So an employer who dilly-dallies for 40 days is looking at a $4,000 fine. If departments and agencies continue to be delinquent, the Yukon taxpayers could be on the hook for some pretty hefty fines, Mr. Speaker.

How does the minister anticipate having to add to next year's budget for late reporting penalties, or will he make it a priority to get all departments and all agencies of this government report workplace injuries within the time allowed?

Hon. Mr. Hart: As I indicated earlier, it is the commitment of this government to report all claims as required, and we are requesting all departments to do so in the best way that they can. Situations do arise where some delays do occur, but, in essence, we are working toward meeting the requirement to report these within the time period allowed under Yukon Workers' Compensation Health and Safety Board to ensure that we have healthy and safe work conditions for all employees.

Question re: Government investments

Mr. Mitchell: Mr. Speaker, I have a question for the Acting Minister of Finance. On Monday, the minister told this

House that she could not divulge the name of the bank that supposedly guaranteed Yukon's $36.5-million investment in asset-backed commercial paper because a promise of secrecy that her government has made to the Montreal Accord. Mr. Speaker, this is truly incredible. First the Yukon government imprudently allows $36.5 million -- almost 40 percent of our surplus -- to be tied up in the frozen trusts. Now they refuse to reveal the name of the bank involved. Mr. Speaker, this sounds like a dime store crime novel. The minister has cut a deal with the people who are holding our money hostage.

Some Hon. Member: Point of order, Mr. Speaker.

Point of order

Speaker: On a point of order.

Hon. Mr. Cathers: Mr. Speaker, the member referred to this as a "dime store crime novel". It has been a long-standing principle under our Standing Orders that members may not do indirectly what they may not do directly. The member is suggesting that a crime has taken place, and I would suggest that that is far beyond the standards. I would ask you to have him retract that.

Mr. McRobb: On the point of order, Mr. Speaker, I believe the expression was basically within the parameters of the right of expression and did not violate any House rule. I would further add that the Government House Leader did not cite a House rule when standing on the point of order.

Speaker's ruling

Speaker: From the Chair's perspective it was an analogy. Perhaps a better analogy could have been used, honourable member, but it was an analogy; therefore there is no point of order. The Leader of the Official Opposition has the floor.

Mr. Mitchell: Mr. Speaker, we can call it a mystery novel, if that is more satisfactory to some.

The minister has cut a deal with the people who are holding our money hostage. I can almost imagine the conversation: "We have your money, and if you ever want to see it again, you had better clam up and keep our name out of this." Mr. Speaker, Yukoners deserve to know the name of the bank that has their money. Will the minister tell this House today which bank?

Hon. Ms. Taylor: Mr. Speaker, I just want to be very, very clear for the member opposite, and that is, in fact, the Government of Yukon is a signatory to the Montreal Accord. In fact, Mr. Speaker, 82 percent of all the investments in this asset-backed commercial paper are signatories to the Montreal Accord.

Now, regardless of whether or not one signed on or did not sign on, 100 percent of those investors are certainly bound by the agreement. So, yes, Mr. Speaker, the Government of Yukon is, in fact, a signatory to the Montreal Accord. Again, we are looking forward to the outcome of the restructuring process, but apparently the member opposite cannot wait until that has occurred. We are also looking forward to the outcome of the Auditor General's further review of these particular investments. In the meantime, we are certainly working toward that particular end.

Mr. Mitchell: Well, Mr. Speaker, we all look forward to the Auditor General's review, and we all look forward to the outcome of the attempt at the Montreal Accord. Both are occurring after this House has risen.

Mr. Speaker, the only interest being served by keeping the name of the bank secret is the bank's interest. They don't want to be embarrassed, and they don't want Yukoners to know that they've kept their money hostage. This government doesn't want to be embarrassed any more than they already have, and they don't want Yukoners to know the name of the bank so they can ask whether there ever was a guarantee.

Yukoners have every right to know where their money is invested or mis-invested, as the case may be. It's unacceptable that we're being kept in the dark by a secretive government and secretive bankers. So again, what's the name of the bank? Multiple choice -- is it (a) the Bank of Montreal, (b) the Bank of Nova Scotia, (c) CIBC, (d) the TD Bank, (e) Royal Bank, (f) National Bank? Why is the minister prepared to put the interest of a bank ahead of the interest of Yukoners?

Hon. Ms. Taylor: Mr. Speaker, this government has nothing to be embarrassed about. In fact, in the last five years this Government of Yukon has earned five consecutive years of a clean financial bill of health. These are unqualified audits, unlike the previous Liberal government, which actually received qualified audits. They actually breached the *Financial Administration Act* on two separate occasions under their watch.

This Government of Yukon is very proud of the level of investment that we have been able to provide to Yukoners in terms of our social investments, whether they be for childcare, social assistance or youth outreach workers. Our government has been adhering to the *Financial Administration Act*. We look forward to the outcome of the restructuring process, due December 4. We look forward to the further review of the Auditor General of Canada.

I want to be very clear that the rules governing Yukon's investments have not changed in the last 20 years. In fact, they remain the same under the *Financial Administration Act* dating back to 1986. Our government is adhering to it. We have nothing to be embarrassed about. We are very proud of this record, in terms of our investments as well as net financial resources in the bank.

Question re: Fleet vehicle supply contract

Mr. McRobb: I have questions for the Highways and Public Works minister on this government's 50:50 solution to contracts. I would like to quote from an e-mail written by one of the minister's officials that clearly proves that there was political direction to cut a deal on a contract with a local car dealership: "You have been advised by our deputy minister to negotiate reduced damages to the car company", and the deputy asked for written direction from Executive Council but was verbally told to "just get rid of the issue".

The deputy sought written directions because he was clearly uncomfortable with what he was ordered to do, and with good reason. Why did this Yukon Party government refuse to give instructions in writing to the deputy minister?

Hon. Mr. Lang: The members opposite have to understand that on this side of the House we listen to Yukoners' concerns and problems and we're in the business of solving problems. If a Yukoner cannot raise an issue of concern with us, who in the world can they raise it with, Mr. Speaker?

Mr. McRobb: The minister did not answer the question. The public comes to us because the government cannot deal with this. Fortunately for Yukoners there was a paper trail kept by an employee within the minister's own department who felt, shall we say, very uncomfortable.

Let's retrace the events. The Premier ordered the minister's officials to cut a deal on the contract. The deputy minister requested the instructions in writing, but was denied and told just to get rid of the issue. The officials requested a legal opinion from the Justice department to protect themselves from any implication of wrongdoing. The government's own lawyers advised them not to reduce the bill without having a government policy decision. But the deputy minister's requests for such a policy decision in writing had already been denied by this Yukon Party government. The paper trail is there.

If everything was above-board…

Speaker: Order please. Ask the question.

Mr. McRobb: …as the minister claimed, why has he refused --

Speaker: Ask the question. The minister, please.

Hon. Mr. Lang: I wonder, Mr. Speaker, should Yukoners raise questions like this with the opposition? I'm not so sure that would solve any problems, given the fact that the opposition in this House creates and dreams up problems. That's not what this government does. We are elected here in this House to solve problems, not create them.

Mr. McRobb: Twice I've asked why the deputy was refused his request to have the instructions in writing; twice the minister has avoided answering.

It's obvious that neither the Premier nor the minister wanted to leave behind a written record of the instructions. The deputy was reluctant to cut the deal without written instructions, because he knew it just wasn't right. This case smacks of the infamous tow truck incident that sent Justice officials into a tizzy and cost the Justice minister her job.

Mr. Speaker, when situations like this arise, the proper process to follow is simply to direct the company with a complaint to work with the officials and follow due process. The politicians should not politically interfere, as was done here and was done previously.

Why does the minister believe it's fair to deny officials written instruction when they feel uncomfortable being subjected to political interference?

Hon. Mr. Lang: I remind the member opposite that in this particular matter the department took the appropriate steps and the problem was solved internally.

Speaker: The time for Question Period has now elapsed.

Some Hon. Member: Question of privilege, Mr. Speaker.

Question of privilege

Speaker: Member for Vuntut Gwitchin.

Mr. Elias: I rise on a question of privilege. My question of privilege arises from the answer the Acting Minister of Environment gave yesterday during Question Period. The minister implied that *Hansard* had recorded that I refused to pair with him, and as a direct result the minister could not travel to Bali, Indonesia, to attend an important climate change conference.

Hansard has recorded no such thing. In fact, I have offered outside of this House to pair, and I did so face to face with the minister. My reputation as the Environment advocate and critic for my caucus and my constituents has been cast in some doubt.

The minister's inaccurate comment has impinged, and will continue to impinge until corrected, upon my ability to perform my duties, both inside and outside of this House.

For the record, on June 12, 2007, *Hansard* did record evidence of me willing to pair with the Environment minister so that we could attend other important meetings. I will quote what I said: "In fulfilling my responsibility to this Legislature, if the minister had called me and wanted to pair so that he could attend the meeting, I would have done so in a heartbeat." To set the record straight, I would have paired with the Acting Minister of the Environment so that he could have provided some leadership for Yukoners at the United Nations Climate Change Conference in Bali, Indonesia.

Speaker: I presume you'll give the Chair a period of time to review this question of privilege. Thank you.

INTRODUCTION OF VISITORS

Hon. Ms. Taylor: Mr. Speaker, on a point of order, I would ask all members of the Legislature to extend a warm welcome to my mother, Dianna Raketti, as well as my husband, Troy Taylor.

Speaker: We'll now proceed to Orders of the Day.

ORDERS OF THE DAY

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair: Committee of the Whole will now come to order. The matter before the Committee is Bill No. 8, *Second Appropriation Act, 2007-08*, Women's Directorate. Do members wish to take a brief recess?

Some 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. 8 -- *Second Appropriation Act, 2007-08* -- continued

Women's Directorate -- ***continued***

Chair: The matter before the Committee is Bill No. 8, *Second Appropriation Act, 2007-08*, Women's Directorate.

Hon. Ms. Taylor: Mr. Chair, the members will recall that when we left off I was speaking to the many accomplishments pertaining to the Women's Directorate and, of course, in keeping with the mandate to work with our respective women's organizations and women of the territory to further advance women's equality in the territory.

One of the questions raised by the member opposite, the member for the third party, was pertaining to safe and affordable housing. In fact, as I did reference in my remarks earlier, I was very pleased to be able to make an announcement not long ago regarding a new initiative, and that was to provide safe and affordable, secure housing for women and children in need, as well as victims of violence. When we speak of housing, we talk about certainty for women who may be living in challenging times, but certainly housing is a critical factor in terms of being able to advance women's economic and social security in terms of being able to provide safe housing for their children.

We know that women with dependants comprise by far the largest percentage of persons on the Whitehorse social housing waiting list. Likewise, we know that victims of violence also make up about 11 percent of the current wait-list for social housing. With this particular initiative that we announced, we will be working to address these housing needs. We are doing just that.

As I mentioned, over the last two weeks we have tasked our officials within the Women's Directorate to undertake a number of discussions pertaining to the needs of women in these two areas of importance. They have been mandated to discuss these needs with women's organizations, transition homes, women living in social housing and women on the waiting list for social housing. As I have articulated on a number of occasions here in this Legislature, the outcome of this particular initiative and the discussions will go a long way to inform the Government of Yukon regarding the size, type, location, structure, access, security and qualification guidelines for a housing development to meet the need for affordable and secure housing.

As I mentioned, safer communities and protecting the family is of critical importance to the territory. It's certainly a priority for our government and it's certainly a priority of mine as minister responsible for the Women's Directorate. This includes increasing the supply of affordable housing.

With this initiative we'll be working to meet the largest gap in housing that currently exists -- again making reference to lone-parent families headed by women, as well as victims of violence. We are in fact undertaking those discussions as we speak and we certainly hope to have something in hand by the end of the month. Certainly we hope that in the new year we will be able to announce some concrete initiatives pertaining to safe and affordable housing for women in particular need.

As well, I should also note that we have been working on a number of other fronts in response to housing needs as expressed by women. As I mentioned earlier, funding is made available to the Women's Directorate, in partnership with the Council of Yukon First Nations and through the northern strategy funding, funding is made available for a feasibility study on an emergency shelter for women in particular. We are undertaking that particular study to determine the most effective ways to address the hidden situation of homelessness among women in the Yukon.

As well, my two counterparts from the Northwest Territories and Nunavut and I continue to advocate for the housing needs of women in the territories. We have been speaking with the federal government and the federal minister responsible for the Status of Women Canada with respect to addressing family violence prevention initiatives in our three respective areas. Members will recall that there was an announcement made earlier this summer; it trailed on the heels of the National Aboriginal Women's Summit in Corner Brook, Newfoundland and Labrador. The federal minister made a very good announcement. I think it was $56 million in new funding to be made available for the expansion of women's shelters and to develop new shelters in the country.

Unfortunately, this new initiative was only applicable to on-reserve. Here in our three territories in the north there is literally next to no application when it comes to on-reserve.

So we have, in fact, been tasking our officials from our three respective areas to work on the business case demonstrating the unique needs of northern women from our territories and making this information available to our counterpart in Ottawa, the federal minister responsible for the Status of Women Canada.

I was able to follow up by way of a letter to the new minister who recently took on this new portfolio in the last few months. It was very pleasing to hear that she did indicate that she was very much interested in hearing what the business case was -- and again just reconfirming her commitment to bring forward the very issues of importance to our respective governments as well.

So we have been very busy on the housing front, as well as seniors housing through the good work of many officials within the Government of Yukon. They have been busy addressing seniors and elders housing as well. One only has to take a look at the recent opening of the new seniors residence here in Whitehorse, which has facilitated about 48 new residences for seniors and elders to live in the territory.

I also wanted to just respond to another question that was raised by the member from the third party. It pertained to the Women's Directorate's role in response to corrections in the territory. This was an area that was raised both on the national front as well as, again, by the three respective territories.

We have been engaging women's organizations, women's transition homes and other front-line workers in the corrections consultations. We have a subcommittee that was struck to work on areas pertaining to women in corrections, women who are

taking residence in the Whitehorse Correctional Centre. They are participating on two fronts. One is pertaining to the *Corrections Act* consultations, which was recently released by the Minister of Justice not long ago. There is also this other committee pertaining to women's groups to work on women's programming and services as delivered at the Whitehorse Correctional Centre.

The Women's Directorate has therefore been very much engaged on a number of different fronts. There is also the new priority housing for women and children leaving abusive partners. That was in large part a result of the good work of the Women's Directorate in collaboration with the Yukon Housing Corporation, as well as the advice provided by the Yukon Advisory Council on Women's Issues, which brought to light this area and the need to move forward. As a result, we do have a new victims of violence and abuse policy, which came into effect almost one year ago, I believe, which makes victims of abuse -- those leaving an abusive relationship -- a priority for housing.

So again, a very progressive policy, and my congratulations to the officials in the Yukon Housing Corporation, Women's Directorate and certainly YACWI for their good work over the last number of years in seeing this particular initiative come to fruition. As I articulated recently, we have been very much engaged on other fronts, such as violence prevention, and of course today we're marking the anniversary of the National Day of Remembrance and Action on Violence Against Women. It recognizes and reconfirms our commitment to address violence in our communities. Through the good policy work, public education and front-line services provided throughout the Government of Yukon, and as delivered by organizations at the community level, I believe that we have been able to do just that. There is incredibly more work to be done but, again, violence is certainly everyone's issue, and it takes collaborative efforts on everyone's part to eliminate and eradicate violence.

We have in fact continued to work -- women in trades, for example, through women's equality funding -- new funding, I might add, which has provided for the first time ever three-year multi-year funding arrangements with women's organizations which, in turn, provide stability and the opportunity for research, advocacy and so forth.

So I'm very pleased and very proud of the good work that is conducted by the Women's Directorate.

Mr. Edzerza: I just wanted to give a quick summary of where we closed this debate last week. My comments when we last closed this debate focused on single mothers and housing, as well as women who are incarcerated. I believe I stated that there definitely did not need to be another study to study the studies done on the lack of housing for single mothers. The need has been there for decades and the issue does not have to be worked any more.

I also mentioned the collaboration agreement among Health and Social Services, Justice, Education and the Women's Directorate and how important it would be for that collaboration agreement to be respected and to start addressing issues that women have in the Whitehorse Correctional Centre.

I don't believe the women in the Whitehorse Correctional Centre are really getting a fair chance at having their issues dealt with. For example, if someone is locked down for 23 hours in a day, that's unbelievable. Mr. Chair, the tactic that is used is called solitary confinement and it is used to really break the toughest of criminals down so that they comply with all the rules and regulations within the correctional facility. The women are being forced to do this without having done anything warranting that kind of discipline. To the best of my knowledge, it's basically just a lack of space in the facility.

I request the unanimous consent of the Committee to deem all lines in Vote 11, Women's Directorate, cleared or carried, as required.

Unanimous consent re deeming all lines in Vote 11, Women's Directorate, cleared or carried

Chair: Mr. Edzerza has requested unanimous consent to deem all lines in Vote 11, Women's Directorate, cleared or carried, as required. Is there unanimous consent?

All Hon. Members: Agreed.

Chair: Unanimous consent has been granted.

On Operation and Maintenance Expenditures

Total Operation and Maintenance Expenditures in the amount of $43,000 agreed to

Women's Directorate agreed to

Chair: Committee of the Whole will now proceed with the Department of Finance. Do members wish a five-minute recess to wait for officials?

All Hon. Members: Agreed.

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

Recess

Department of Finance -- *continued*

Chair: The matter before the Committee is Bill No. 8, *Second Appropriation Act, 2007-08*, Department of Finance, Vote 12.

Mr. Mitchell: We last were debating this department on Monday afternoon, and I know that at one point -- actually at several points -- the acting minister said that she was providing answers, but we on this side of the House didn't necessarily like them. I just want to state for the record that it is not a question of liking or disliking answers. What we were getting was responses but not necessarily answers to the questions asked. For example, as I summarized the other day, I asked the minister if she could answer whether or not she or her colleague the Finance minister had ever seen a guarantee from a bank -- a bank which she cannot name -- and that question was not answered. I asked the minister: what are the specific assets that underlie the trust that we purchased and could she table a list? And does the minister even know? I didn't get an answer to that set of questions either.

I asked the minister two or three times -- well, three times I believe -- how much was the interest rate differential between the investments in the Symphony and Opus trusts, to be expressed either in a fraction of a percentage point or in basis

points, whichever she preferred, between those particular investments and Government of Canada or provincial bond investments that would have been available at the time. And would she also express that in terms of a dollar differential for the period of time that the money was intended to be invested on these particular investments made on July 30, 31 and August 1. She didn't answer that, but she has had three days to get her calculator out, and I'm sure she has those answers for us today. I know that the minister is taking notes and the official is taking notes, so I look forward to those answers.

Because I know that we want to move through this somewhat expeditiously, I am going to roll a number of additional questions into this question set. I hope that the minister can answer then in whatever order she prefers.

I would like to know if the Government of Yukon has an investment policy beyond just what is in the *Financial Administration Act*? It could be a policy in the regulations or just a policy, but something that's a guideline. For example, the Workers' Compensation Health and Safety Board was in here two afternoons ago giving testimony. They made reference to their investment policy -- or I asked a question referring to it because it was in their annual report. They are prohibited from investing more than five percent of their total assets in any one investment vehicle. In referring to that, I am wondering what our investment policy is. While it was some 37 percent of net financial resources, I believe that the minister has made reference to it being approximately 15 percent of all the money the government had invested. I think it was actually 17 percent, but we won't quibble over that two percent. I am wondering what that policy is and if it has changed in recent years or has consistently stayed the same.

Those are several of the things that I want to ask. Again I just want to state for the record that it would seem to me that if we are investing a significant percentage of our net financial resources -- our cash surplus, so to speak -- into several large investments -- and according to the document that the minister had tabled some time ago, they were large at the time, which I think was November 15 but I'll try to correct it for the record, and in the order of magnitude the first, second and third largest investments that the Government of Yukon had -- then I think we in this House have a right to ask which bank. The Premier and Finance minister said quite clearly when this was first raised that the government's investment was backed by the banks. We would like to know what bank that was and we think Yukoners have the right to know which bank it is.

I have to say that to agree with the people who have the money and have not been able to repay it, that we should keep that secret to assist them in perhaps repaying it or restructuring it or extending the term from short-term to a much longer term debt, does not inspire confidence. It doesn't inspire confidence in this side of the House, and I don't think it inspires confidence in Yukoners to be told that they have not been able to give us our money back; they are in technical default insofar as it was supposed to be a short-term investment and, in fact, it is now becoming a longer term investment, and perhaps it may be five or seven years -- that's the sort of numbers we've seen with this restructuring program. That means that should some Yukon parent be blessed with a new child born today in Yukon, that child will probably be in grade 2 before we'll see this money and be able to spend it on programs for that child or any other Yukoner. That is certainly very different from the intention of this investment.

The acting minister and the Finance minister have said on a number of occasions that they defend the good work of the Finance officials over the years in earning money on behalf of Yukoners and so do we, but we do have ministerial accountability and ministerial responsibility. When things are going well, when the Finance minister was able to stand up a year ago in this Legislative Assembly and talk about how much money investments had earned, the government was quite happy to take credit for the good investment. It's much like being the commander of troops or the captain of a ship or any other metaphor that you would choose. My understanding of the principle is that we have ministerial responsibility and that at the end of the day, if a mistake has been made -- a mistake in judgement or a poor decision -- that decision rests with the minister. We don't say we have every confidence in the officials, because that is very close to saying that whatever has happened is the officials' fault, and that's wrong. That's wrong.

The Minister of Finance in this territory is responsible for the finances of this territory. That is very straightforward. The Minister of Finance was elected and, as the government side likes to point out again and again, "We were elected to be government; the people chose us." Then that means you are responsible.

I would like the minister, rather than simply referring to confidence in the officials, to accept the fact that, whatever the outcome of this is -- whether the money is tied up for five years, seven years, 10 years -- it is her government's responsibility.

Again, I'll ask the minister if she can table the guarantee -- and I know it doesn't come on a little card like when you buy a calculator or a video camera, but there is documentation. Has the minister ever seen it? If so, can she table it? Can she table it with the name of the bank whited out? That would at least provide some comfort there was some documentation.

These are some of the things we want to know. One more thing: yes, as the Leader of the Official Opposition, because of my concern over whether the proper procedures were followed, I did write to the Auditor General of Canada and ask her to look into this matter, but the minister has a tendency to stand up and say that we don't respect the Auditor General; why are we asking questions?

Those are two very different processes. In this House, we as the Official Opposition and the third party ask questions of ministers. We're not questioning the Auditor General. The Auditor General will go through her review, she'll investigate the matter and she'll determine what she thinks happened, but the fact that that is occurring does not preclude our responsibility, while this House is sitting, while we are in session -- since we won't be by the time we get that report and we'll actually rise the day before the first news of the Montreal Accord comes back -- we have an obligation to hold government accountable on behalf of Yukoners.

When we're talking about this much money, we have an obligation to ask this minister to defend the actions of her government and explain them.

So we shouldn't be hearing this minister reciting the name of the Auditor General like some mantra, some special amulet any more, that means all will be determined by the Auditor General and we shouldn't speak of these matters. It doesn't work that way and the minister knows that. She knows that we are not disrespectful of the Auditor General of Canada when we ask these questions. We're asking these questions because we're here now in December, and they are being asked in other legislative assemblies and in other corporate meetings, and it just doesn't work to say, "Why don't we just forget about this until the Auditor General reports?"

I'll look for answers to some of the specific questions.

Hon. Ms. Taylor: I don't know where to begin. I thought we were off to a good start until just recently.

Mr. Chair, I guess I can very much appreciate how sensitive the member opposite can become when it comes to the Auditor General of Canada, given their previous government's track record on finances.

Earlier today in Question Period I made reference to a clean bill of financial health as deemed by the Auditor General of Canada. I know the member opposite has on occasion in Question Period even questioned that. We happen to have full respect for the Auditor General and we certainly adhere to what the Auditor General of Canada has to say when it comes to finances in the territory.

I'm not embarrassed, as I mentioned, about the government's track record when it comes to finances in the territory. The fact that the Yukon is one of two jurisdictions in this country that has net financial resources available to them speaks volumes about the track record of this Government of Yukon under the leadership of the Premier in his capacity as Minister of Finance.

We have received five consecutive years of unqualified audits -- in fact, a clean bill of financial health was received from the Auditor General of Canada. Now, that isn't altogether the fact of the case when it comes to previous governments. As I articulated earlier, I will refer back to 2001 and 2000, under the previous Liberal government when there were breaches of the *Financial Administration Act*. So you know, I can certainly accept that, but the fact of the matter is that under this government's watch there have not been any breaches of the *Financial Administration Act*. Again, under this administration we have received clean audit opinions, unlike the previous Liberal administration. I just wanted to put that on the record, because I know that the member opposite can feel a little sensitive about that at times.

Mr. Chair, the member opposite touched on a number of different items, and I'll do my best to speak to these particular items. I find it is kind of ironic that the member opposite makes reference to tabling the bank guarantees. In fact, it all comes down to the member opposite's request from the Auditor General of Canada to review these particular transactions and whether or not they complied with the letter of the law -- that is the *Financial Administration Act*. Yet, while he says that he can appreciate the integrity associated with the Auditor General of Canada and that process, he certainly continues to demand to see the bank guarantee.

I mentioned in the Legislature the other day that the Government of Yukon has signed the Montreal proposal, and as I articulated in Question Period here today, we signed the proposal in addition to many, many other investors -- and in fact it is approximately 82 percent of investors -- holding these particular investments, to the tune of almost $40 billion.

The key is that regardless of whether or not one signed on to the proposal, the fact is that 100 percent of each of the investors with holdings in these transactions is indeed bound by this proposal. By signing the proposal -- that could be another question from the member opposite -- the Government of Yukon is entitled to a vote on the proposed restructuring. It is very important to point out for the member opposite that those who did not participate will not be given a vote. They will, however, be bound by the outcome of the restructuring process. Details should be forthcoming by December 14. There is no new news on that.

Again, this government has been fully forthcoming with information pertaining to these transactions, unlike others who have had transactions and investments involved in this portfolio. We have provided details surrounding these particular investments. We fully disclosed them to the Auditor General of Canada. As I mentioned, even though it took place after the closeout of the last fiscal year 2006-07, the Government of Yukon sought the opinion of the Auditor General of Canada as to whether or not we should in fact be disclosing this information. It was confirmed by the Auditor General of Canada that it should be disclosed. We took that advice and I tabled the correspondence not long ago in the Legislature pertaining to these particular transactions for everyone's review. Of course there are always questions pertaining to that particular correspondence.

As I articulated the other day, it was sent by the Department of Finance to the Auditor General of Canada's Office. Again, that information was disclosed by way of a note, which is in fact an integral part of the financial statements that were audited by the Auditor General of Canada.

So again, we have been fully forthcoming, unlike when you perhaps look at other sets of investments in the country where they're demanding public accounts committees to sit down and take a look at them. I have stated that this is something that the Public Accounts Committee may wish to review but they would probably want to wait until they have the review in hand from the Auditor General of Canada, and her office has certainly made known that that could be forthcoming as soon as early in the new year.

So we respect the outcome of that process. I certainly respect the process associated with the Public Accounts Committee. This is certainly something completely within their purview, and it's certainly something that they may wish to take a look at. But again if they wanted to be responsive, they would probably want to have all the information at their fingertips. Certainly, at that time, whether it's through the Auditor General

of Canada or through the Public Accounts Committee, there will be information forthcoming again to that tune.

When it comes down to the guarantee, as I mentioned -- and I'll just articulate again for the member opposite that, in fact, this paper is backed by the banks. I'm sure that the member opposite knows that full well by now. It's also backed by assets, assets that have received the highest rating by Canada's primary rating agency, unlike other commercial paper. Again, the arrangement for the backing by the banks is between the banks and the trusts, not with the Government of Yukon. The banks have the agreements with the trusts. This is very much like many of the other investors, include NAV Canada, Canada Post. Certainly, there is a litany of different governments involved -- Government of Ontario, Government of Quebec, agencies, pension plans, and Liberal governments, whether be Ontario or Quebec. They certainly saw fit to invest many investments. There is the Alberta treasury branch, as well, and so forth.

There are many different private companies; there are many governments, government agencies, pension plans and so forth.

We are awaiting the outcome of the restructuring process. That should be occurring any time now. Likewise, we look forward to the outcome of the Auditor General's review. I can't be very much clearer on that particular matter.

I just wanted to elaborate a little bit in terms of investing in the Yukon. I again want to put on the record that, checking back with Department of Finance officials, the rules governing financial decisions -- for Yukon investments in particular -- as laid out in the *Financial Administration Act*, have not changed in more than 20 years. In fact they're exactly the same today as they were back in 1986.

As I mentioned, the government has been buying asset-backed commercial paper since 2001. As the member opposite knows, asset-backed commercial paper was also purchased by the previous Liberal government. Before the member opposite stands up and says, "That's comparing apples to oranges," I wanted to say that whether it's bank sponsored or third-party sponsored, both of these asset-backed commercial papers are structured identically.

When I say that, I refer to the same single rating, the same asset structure, the same backing and the same liquidity arrangements, so to say on a point of principle that the investment was wrong from a policy perspective is, in fact, admitting that the previous Liberal government erred in its ways in initiating these particular investments. I just wanted to put that on the record for the member opposite as well.

We have been anything but secretive when it comes to this particular matter. I just referred to the Montreal proposal to which the Yukon government is a signatory -- we as well as 82 percent of the investors who are signatories to these particular transactions. We have the benefit of having a vote on the proposed restructuring, unlike those who chose not to sign. In fact, even though they may not have a vote, they are bound by the outcome of the restructuring process, so that's very critical to put forward as well.

I just wanted to be as forthcoming as I can be. The member opposite referred to a number of different investments made within the whole investment portfolio report. I will refer to the actual list that I did table in the Legislature -- another piece of information that we did disclose to members. It lists, among the investment portfolio report that was tabled as of November 15, 2007, a number of different investments made by financial institutions. These are significant investments; however, when you look at the Royal Bank, they are also significant investments -- approximately $33 million; CIBC -- approximately $15 million; First Nations Bank of Canada -- approximately $12 million; Scotiabank -- approximately $26 million.

Members opposite will see that it is a fairly well-diversified portfolio. The way we invest dollars on a short-term basis has not changed over the years. We maintain a cautious approach. As a result of those particular investment decisions by the Department of Finance, we have been able to garner net financial resources, which all Yukoners have been able to enjoy through new investments, whether in education, training, skills development, childcare as well as the social assistance changes that were recently announced by the Minister of Health and Social Services. There have been new investments in experiential education, investments in youth outreach workers and investments in substance abuse prevention in this territory.

With new investments in continuing care over our government's watch we have been able to open up 24 beds in continuing care. We've been able to invest in very important initiatives: housing developments for seniors and elders in Whitehorse, Haines Junction, Watson Lake. Certainly we're looking to do more on the social housing front for moms and their children and for victims of abuse looking for a safe and secure place to go. We've been able to make investments in a number of different critical areas.

Climate change action plan -- and there have been lots of interesting discussions coming forward on that particular matter. We have very much been engaged with Yukoners and we'll continue to be engaged with Yukoners and listening to them as to what in fact should transpire in terms of adaptation and addressing climate change in our territory. Again, over $1 million in this fiscal year for inventories for fish, wildlife, habitat surveys, including the harvest management plan for the Porcupine caribou herd. There are new dollars for the expansion of the parks officer program and the celebrating Yukon parks initiative.

New investments for women's equality -- this is the first time ever that the Government of Yukon has entered into three-year funding arrangements with a number of women's organizations to enable them to do the grassroots work with women in the territory.

Mr. Chair, I'm very proud of the investments and the level of investment that has been made, not just on the economic side or in the infrastructure, but certainly on the quality of life.

Again, there are more dollars for the RCMP street crime reduction team, safer communities and neighbourhoods office to open and run -- and it is doing a very effective job.

There are new dollars to recruit and retain health care professionals for our respective communities. These are all new investments and all very worthy.

There are new investments for our museums and our heritage institutions. We also have new dollars housed within the supplementary budget for arts organizations. There is half a million dollars in new funding for arts programming -- artists in the schools or a Yukon arts funding program -- which means more dollars for the arts fund. Again that might mean a new touring fund as committed to in our election platform. These are all new investments that we committed to in the last election and we are able to deliver. It is all thanks to having a healthy accumulated net surplus in the territory. There are healthy net financial resources. We are only one of two jurisdictions in this country that have that privilege.

Again, this government has been very busy over the last five years making new investments. We are only able to do so because of the healthy resources that the Government of Yukon has in the bank, as a result of the good work performed by the Department of Finance.

Mr. Mitchell: Well, let's see where we should start. The minister said that she thought we got off to a good start. I guess she was implying that perhaps we haven't, because we've asked questions. I also thought we were getting off to a good start, because we were asking questions, but I see that we are still getting responses, not answers.

The minister said that we seem to be sensitive to these matters. As I have said here before, we are here to ask questions on behalf of Yukoners. I would suggest that it's the minister who is sensitive, because she's not answering the questions. She is using her 20 minutes to read a bunch of other information into the record.

I don't think we need to talk about sensitivity. We both have a job to do here and I would presume that we're both doing it professionally, so emotions really don't get into the matter.

Now, the minister mentioned again today that she has tabled the correspondence that she had with the Auditor General's Office. The other day when she brought this up and I said it didn't look like correspondence -- there was no letterhead, there was no addressee, there was no signature block, there was no signature -- she said in her response and I am paraphrasing: Well, it was an e-mail; we're in the era where we do things by e-mail; surely the member understands that.

It was something to that effect -- I don't have the exact page *Hansard* in front of me.

Well, I've never seen an e-mail that looked like that document. It apparently was a partial document. If the minister had wanted us to know that that was an e-mail, she could have said she would table e-mail correspondence between our officials and the Auditor General, and she could have actually tabled the e-mail. There was no header. There was no subject line. There was no URL or anything else. There was nothing that made this look like an e-mail. This was apparently contents that were sent in an e-mail. We had no way of knowing that and we have still no way of knowing that, other than the minister has now told us that, and I accept the minister's word. But if the minister wants to clearly make a point by tabling documents, then she should table the document, not a version of the document printed off that looks just like a Microsoft Word document. So that's enough of that -- saying that she has tabled the correspondence.

She makes reference to public accounts. I said the other day, when she made reference to it, that, yes, the Public Accounts Committee may look into this, and yes -- and this is only my personal opinion, and I am one of seven members on the Public Accounts Committee -- I agree with this minister. I think that the best time for the Public Accounts Committee to do this would now logically be after we receive a report from the Auditor General. However, when I received correspondence from two members of the Public Accounts Committee, we had not yet received any correspondence from the Auditor General's Office saying that there would be a review or an investigation. Those two members asked for a meeting not to hold a hearing while we're sitting in session; they asked for a meeting to consider the possibility of holding hearings at a later date. They asked to have an early response to their issues. I did, in fact, ask the members of the Public Accounts Committee if we could agree upon a time for a meeting. When the first time was not agreed to, I offered five alternative times. I can't prejudge what will happen in the Public Accounts Committee, although the government holds a majority in that committee, and if they choose to vote as a bloc rather than as individual MLAs, then they can determine the outcome.

I'm not going to predetermine the outcome. We hold meetings to discuss an agenda and see whether we should or shouldn't schedule something. I would point out that we do need to meet and we need to meet expeditiously because another report is coming from the Auditor General. As we know, there are annual performance reports. There's one about the Canada Winter Games. We are expected to possibly hold hearings on February 12 and we need to plan for that.

There's also something else we need to do, which is to plan for next year's annual meeting of all the public accounts committees in Canada, which will be held in Yukon. It's the Auditor General's Office -- as you know, I suspect, Mr. Chair, from getting copied with this and sitting on the Public Accounts Committee -- that has asked that we meet and meet with the Auditor General's staff to plan for those meetings. So there are three reasons to meet.

I would like to say that if I receive correspondence from any Public Accounts Committee member asking me to convene a meeting, be it from the third party or the governing party, I would respond to that matter.

Some Hon. Member: Point of order.

Point of order

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

Hon. Mr. Rouble: I appreciate listening to the debate in here, and I believe the debate right now is on the Department of Finance. We seem to have gone off on a tangent regarding the Public Accounts Committee.

As a member of this Assembly, I would appreciate if we would depoliticize the nature of the Public Accounts Committee. Having it enter into the debate in a forum such as this -- and some of the musings going on -- I find inappropriate, espe-

cially considering that the matter under debate right now is the Department of Finance.

I would ask, Mr. Chair, that you ask members to focus the debate on the budget at hand --

Chair: Order please. Mr. Mitchell, on the point of order.

Mr. Mitchell: The issue of the Public Accounts Committee today was raised, as it was raised the last time we debated this, by the Finance minister, who said she would be perfectly content to see this in the Public Accounts Committee and then stated her opinion of when that should occur. I am responding and I'm being very careful to respond by saying I cannot prejudge what would happen but that, in fact, we've asked for a meeting to consider that.

I'm responding to the comments made in debate by the Finance minister, who chose to once again bring the Public Accounts Committee into the debate.

Chair's ruling

Chair: On the point of order, I would like to remind all members that relevance is really hard to determine in general debate on a department. I would like to urge all members to focus their debate on the Department of Finance.

Mr. Mitchell, you have the floor.

Mr. Mitchell: Let me make a pledge to this Assembly that if the member opposite doesn't raise particular committees of the Assembly -- and I've said that in a way to not mention any particular committee -- neither will I. That's the best I can do. If they're not raised, I don't have to respond. Is that fair enough?

Now, there were some specific questions. I know that the Acting Minister of Finance is able to answer them. I certainly know that her officials are able to answer them. I have asked three or four times between Monday and now about the differential that the government would have earned in percentage points or a fraction of a percentage point in basis points -- and for the general public, 100 basis points equals one percentage point, so it's like how many pennies are in a dollar; that is the relationship when we refer to basis points -- and the actual dollar equivalent that would have been earned. The minister has chosen to never answer that. I am going to go out on a limb here and throw out a number. The minister can correct me, because I am sure that my number is not perfectly correct. It is just a ballpark figure.

If the investment of $36.5 million was intended to be a 30-day investment and if the rate differential was intended to be 25 basis points higher -- and I don't know that; I've heard different figures stated publicly, but not in the Assembly, which is why I'm asking the question -- on these investments than on a government bill, then for 30 days -- ballpark -- around $7,600 is what the differential would have been that was earned in the 30 days from the $36 million. I may be out by a few thousand dollars. I don't think I'm out by an order of magnitude. If I am, I know that the official will certainly provide that information. I know the official knows the answer to this much more than I do.

Again, I am making an assumption of 25 basis points. I am kind of pushing the envelope a bit, because the minister hasn't told us if it is quarter of a point or a half point, or what the differential was, but I would like to know it.

So maybe that is a better way to ask the question. Now let's look at some other things that the minister has mentioned. The minister has repeatedly mentioned that these were and remain and continue to be the highest rating by the one and only rating service, the Dominion Bond Rating Service, which rated them. In the interest of full and open transparency, you know sometimes the footnotes speak volumes about the sentences that they refer to. This is dated today, but it was the same a week ago, and it was the same the week before that, I just haven't chosen to bring it forward. DBRS -- if you do a search and if you search for Opus Trust CDO short-term notes class A, which I believe is the investment we're talking about -- yes, it says R-1 (high) and then there is something called "action". Under action it says, "Under review, developing". The reason for that is, if you look in the expanded version of it, it indicates -- because I've only got what's appearing on the screen -- that there is developing news; namely, due to the liquidity crisis there is uncertainty about these investments. It is basically pending the results of the Montreal Accord, if those are announced on December 14.

So if we're going to continue to say that they are R-1 (high), the best rating possible, we should be thorough and indicate that there is an asterisk there so to speak. I know the officials have seen these, but I can make a copy available for the minister if she chooses to look at it. I haven't seen any developing comments on Government of Canada treasury bills or other government-backed investments.

Now, I would like to caution the minister not to get into a game of fun with numbers with me, because I enjoy the game but this is not a game that we're doing here. I indicated that the list the minister tabled had some couple dozen or more -- I'm not going to count them and waste our time; there were maybe a little over two dozen -- separately listed investments. The two Symphony Trust Series A discount notes and Opus Trust Series A discount notes rated one, two and three on the chart of top Yukon investments.

The minister has stood on her feet and said that we have various investments and she talked about large sums, some $12 million in this bank and $13 million in another bank. What the minister has just done is add different investments, which have differing maturity dates and were made at different times together. Yes, we have multiple millions of dollars invested through the Scotiabank and the Royal Bank and GE Capital Canada discount notes and TD bankers acceptance notes, but the minister has added them together. If you want me to do the same thing, I'll say $36.5 million. I listed the actual numbers of separate investments, and the minister should do the same and not lump in every Royal Bank investment to create the impression that there were larger single investments by the government -- not according to her information.

She keeps referring to qualified audits. Let's go over some history regarding audits so we can stop hearing this same tired

refrain from the Premier and the Acting Premier again and again, criticizing his and her predecessors.

First of all, the minister repeatedly likes to say, "The former Liberal government." She knows full well I didn't have an opportunity to serve with that government, but she's making a point that a Liberal government got qualified audits.

Well, the Yukon Party government, a former Yukon Party government that the minister was not elected to serve in, but nevertheless served -- that government also got a qualified audit. The reason was it overexpended in one department by $1.7 million, contrary to the *Financial Administration Act*. If the minister asks her officials to check back, she'll find that that did in fact happen. Much more seriously, they made two loans, each for $2.3 million without the authority of the act -- again, breaking the *Financial Administration Act* -- which the minister was saying to me today about a former Liberal government.

The Yukon Party government got qualified audits; they got qualified audits by not operating within the *Financial Administration Act*. It's a former Yukon Party government; the members opposite weren't serving in that government; the members on this side weren't serving in the former Liberal government. Why are we having these discussions about history, instead of talking about what is happening now? But if they want to -- the NDP government in 1999, a government that the Premier sat as a part of, much as the Minister of Health and Social Services indicated, as the Member for Klondike sits as a part of this government. Well, the Premier sat as a backbencher in that government, and it received a qualified audit.

Yes, the Liberal government in 2002 -- qualified audits. Both of those latter qualified audits were for the same reason: a failure to record the liability for post-employment benefits earned by its employees. Both governments made the decision to cap the amount set aside for the liability, I think, at $30 million -- I could be wrong on that number because I'm reading not from the actual public accounts but from memory. The officials can provide the accurate numbers and I will accept what the officials provide.

It was basically an accounting decision that was made by the government. At the time, the governments in Yukon, be they NDP or be they Yukon Party or be they Liberal, didn't have sufficient funds to provide for the possibility of every last government employee quitting or retiring on the same day. So they capped it at, I believe, $30 million. No employee ever did without, because there was certainly enough money to cover any employee payouts as advised by officials within the Finance department.

This brings us to the current Yukon Party government. I'll agree with the member opposite that this government hasn't received a qualified audit. It hasn't happened yet. They do have a few years to go, so we will see.

The minister likes to say that we're getting all our news in the Official Opposition from newspapers or news services or radio reports. Well, we're not signatories over here to the Montreal Accord, so we don't know -- although I've asked the minister if she would table correspondence that the government has entered into, and she has not responded to that. But I imagine she's going to tell me that it's part of the same secret oath, this omertà, that we can't hear about these things. So we don't know what's going on other than what we see in the newspapers.

I have to tell you that if a visually disabled person were to throw a dart at the financial pages of any newspaper on any given day over the past months, they'd probably find an article about this.

Quite a number of them mention the Yukon government. I will read from a couple more, because I know that the minister is busy and may not have had time. The former SEC chief decries deification of debt. This is what happens when trust breaks down, Levitt says. This is according to Arthur Levitt, Jr., former chair of the Securities and Exchange Commission in the United States. Interestingly enough, we have been debating in this session changes to the *Securities Act* that are intended to bring us toward having a single security and exchange or some other title for it. In Canada, we currently have numerous exchanges operating separately.

The article says that the U.S. subprime credit meltdown was sparked by a deification of debt that saw millions of people embrace spending beyond their means, former United States Securities and Exchange Commission Chair Arthur Levitt, Jr. said yesterday. The crisis that also shook Canada's debt sector has smashed investors' confidence in capital markets, Mr. Levitt told a Toronto regulatory conference.

I recognize that Mr. Levitt is American. He was speaking in Toronto about Canada's debt sector to a Toronto regulatory conference. "'It was obscene,' he said of mounting consumer debt. 'And addictive as narcotics'.

"'It gave way to a gluttony of debt … New businesses developed to pander to the taste for the taste for the good life. This is what happens when trust breaks down -- a number of market actors did not perform as we had hoped … I'm afraid investors are losing faith."

So, why didn't the Finance minister pay attention to all the warnings that were out there? I can't ask why the acting Finance minister didn't, though surely she speaks with the Finance minister in Cabinet. In the United States, the liquidity crisis started a year or more ago with the meltdown in the subprime mortgage market. There were lots of warning signals to get out of leverage debt and collateral debt obligations.

I am going to read one that is even more serious. It's dated today, from the *Report on Business*, December 6, 2007. "Canaccord Capital is alleging that Bank of Nova Scotia received material non-public information about third party asset-backed commercial paper in July and began reducing its own holdings of the paper, even as it continued to pitch the investment to clients. The allegations have arisen as part of two lawsuits filed by investors against Canaccord in the Supreme Court of British Columbia. Canaccord brought Scotiabank into the suits because the bank sold the ABCP to Canaccord, which in turn sold it to companies and individual investors." That's what third party ABCP is. That's an example of it.

"Canaccord named Scotiabank's investment banking arm, Scotia Capital Inc., as a party to the suits, alleging it made negligent misrepresentations, failed to warn Canaccord and breached its fiduciary duty." That's what the banks have perpetrated. The Yukon is caught up in it and that's why we're ask-

ing: which bank? Why would we cut a deal to keep the bank's name secret when these kinds of charges are being made against the banks? This is pretty serious stuff. This is what happens when you have a third party guarantee.

I'd be happy to represent a bridge I'm aware of in New York City that spans the space between Manhattan and Brooklyn, and I'd like to offer to sell it to the minister. I can't guarantee it, but I know there are engineers and financial people who could guarantee it to me and then I could guarantee it to the minister. What good does that do us?

Mr. Chair, that's why we find this to be so outrageous. There's much more evidence. I know my time is short. Again, how much money? What was the interest rate differential? I saw the official was doing the calculations and I look forward to the answers.

Hon. Ms. Taylor: Mr. Chair, I find the discussion quite interesting these days and, again, I just don't know how to articulate this any more simply or any more clearly for the member opposite. But again, we are working toward the restructuring of these investments, as is everyone else who invested in these particular transactions, including the member opposite's colleagues in the Government of Ontario, the Government of Quebec and many more. I guess the questions have to pertain to all these others who invested almost $40 million: Air Canada, Barrett Gold, Canaccord Capital, Canada Mortgage and Housing Corporation, Canada Post, Greater Toronto Airports Authority, Nav Canada, Ontario Financing Authority, Ontario Power Generation, Ontario Teachers' Pension Plan Board, and the list goes on and on.

So again, within just a few short days we will be hearing about the outcome of the restructuring process. I just urge the member opposite to exercise some patience and goodwill and to see the outcome of the process as it unfolds. The banks are very much privy to and very much part of this particular restructuring process, and we look forward to the outcome.

Likewise, when we talk about guarantees -- and apparently now we do have a guarantee, according to the member opposite, despite his line of questioning; it's great to see.

Mr. Chair, likewise we look forward to the further review of the Auditor General of Canada. In fact, we respect that process and the integrity associated with that process. It will bring clarity and it will bring some finality to these particular investments.

Now, there is a lot of interesting discussion about tabling the correspondence. Without getting into the specifics or the semantics associated with e-mails and what was forwarded, what I tabled on the floor of the Legislature was in fact what was forwarded to the Auditor General of Canada from the Department of Finance.

Whether it was in the form of an attachment, a Microsoft Word document -- who knows? I couldn't tell you what the format was, Mr. Chair. What's really important, though, is that we disclosed the details of what was forwarded and made readily available to the Auditor General of Canada. The member opposite is having some difficulty accepting that. I suppose he could strike an RCMP investigation into that matter. I guess that's his choice.

For the time being, however, I did in fact table the correspondence that was issued to the Auditor General of Canada from the Department of Finance. The member opposite can accept that for what that is worth.

Now, regarding the Public Accounts Committee, I just wanted to put something on the record.

Some Hon. Member: Point of order.

Point of order

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

Mr. Mitchell: The government members rose on a point of order saying that they did not see what the reason was for the Public Accounts Committee being debated here because it was Finance. I responded by saying that I was only talking of the Public Accounts Committee because the member opposite raised it. I think you gave pretty clear direction that you were looking forward to us not discussing the Public Accounts Committee and I pledged not to do it if the minister didn't start it. Now, let's just not do that or let's have a long discussion and we'll table the letters that have gone back and forth, but which way is it to be, Mr. Chair?

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

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

Chair's ruling

Chair: There is no point of order. The Chair did not state that we were not to discuss PAC. The Chair stated that it's hard to determine relevance and I urged members to actually focus their debate. Once again, it's hard for the Chair to determine relevance in this situation and it's up to the members of this Assembly to determine what is and what is not relevant.

Hon. Ms. Taylor: Thank you, Mr. Chair, for that clarity. As I was going to mention before I was interrupted, the Public Accounts Committee certainly has the opportunity to review these particular investments. I'm not a member of the Public Accounts Committee. I find it interesting that, in his capacity as chair of the Public Accounts Committee, the member opposite has chosen to debate what the Public Accounts Committee is or is not to review.

I'm not privy to that information on when officials and the Public Accounts Committee are to meet or what the topic of the day is, but I would think the member opposite, in his capacity as chair, would take a little more care and caution as to how he references his remarks about the Public Accounts Committee. I'll leave it at that.

When it comes to the rating -- and I have articulated this on a number of occasions -- of these particular assets backing these particular investments, they have been and remain triple A, R-1. They remain that to this day. I don't know how much clearer I can be on that particular matter.

As the member opposite articulated, there obviously remains some dispute as to whether or not the Government of Yukon complied with the *Financial Administration Act* in terms of whether or not there was a guarantee provided and more than the single or double rating, et cetera.

Mr. Chair, I just wanted to again articulate that we are awaiting the outcome of the review, the further review of the Auditor General of Canada, and we welcome that. I just wanted to put on the record again that we will, in fact, accept, full stop, any recommendations and any findings made by the Auditor General of Canada when it comes to that.

When the member opposite speaks about previous governments on financial records, I'm not disputing whether or not previous governments did in fact have clean audit opinions, although it has been shown that, under the previous Liberal government, they did not receive a clean bill of financial health. Likewise, they also had a number of breaches of the *Financial Administration Act*. So, you know, I just wanted to make it abundantly clear that, unlike the previous government, this Government of Yukon, under the watch of the Premier of the Yukon in his capacity as Minister of Finance, has indeed earned five consecutive years of a clean bill of financial health, in terms of a clean audit opinion and in terms of being in accordance with the legislative authority and I refer to the *Financial Administration Act*.

You know, you can paint it as well as you wish, but at the end of the day this government has received five consecutive years of a clean bill on both sides of the spectrum -- a clean audit opinion and being in accordance with the *Financial Administration Act*. I just had to put that on record again for the member opposite.

We are also awaiting the outcome of the Montreal proposal, to which the Yukon government is a signatory, as I articulated. I'll do that again and I'll do it again and again.

The Yukon government is a signatory to the Montreal proposal. We are one of a number of signatories to the Montreal proposal. I said this earlier today: approximately 82 percent of the investors holding these particular investments have in fact signed this proposal. Again, by signing the proposal, the Government of Yukon is entitled to a vote in the restructuring process. Again, it should be noted that, even though there are those who do not wish to participate, they are, in fact, bound by the outcome of the restructuring.

Again, we are joined by many different entities, such as the Ontario government, Quebec, Canada Post, the Canada Mortgage and Housing Corporation, the Alberta Treasury Branch and so on. We are not alone in this. We are working with those associated with the restructuring and we look forward to it. It is due to come out by December 14, which is not that far off.

I just wanted to put on the record those specific points, as well as the fact that the Yukon government has been fully transparent with regard to this issue. We have fully disclosed the details associated with these investments to the Auditor General of Canada. I tabled that correspondence earlier this sitting. I know that the member opposite takes issue as to what format was used -- whether or not it was in Times Roman, italics or bold -- I don't know. What I can say is that we have fully disclosed that information.

Again, we actually sought the advice of the Auditor General of Canada as to whether or not to disclose that, seeing that it had happened after the year-end, 2006-07. In fact, after discussing that with the Auditor General's Office, it was deemed that, yes, Yukon government should disclose that. It was disclosed. It was disclosed by way of a note, which is an integral part of the financial statement, which did receive a full review and did receive a clean bill of financial health from the Auditor General of Canada. So I just wanted to put that on the record as well.

That said, the Auditor General of Canada has agreed to a further review of these particular investments, and there is no debate about that. In fact, we welcome this further review. We certainly will accept any findings or recommendations made by the Auditor General on these particular transactions.

So again, Mr. Chair, without speaking on behalf of other entities that have transactions, again, the Government of Yukon has been very forthcoming with information and forthcoming with details. The rules governing Yukon's investments, when it comes to making investment decisions as laid out in the *Financial Administration Act*, have not changed. They have not changed since 1986. In fact, since 2001, the government has been buying similar investments. Whether bank sponsored investments or third-party sponsored investments, the same arrangements, the same structure associated with both remains the same.

I refer to the same backing, the same liquidity arrangements, the same rating -- single rating, I might add. So again, to be able to point to the Yukon government and say that the Yukon government has in fact erred in its investment decisions is to actually say that the previous Liberal government also erred in their decisions.

I just wanted to put that on the record, Mr. Chair. I'll be very pleased to repeat and repeat and repeat for the member opposite. As long as he continues to question this, I'll be happy to reiterate what I have just said and what I have been saying over the last month.

As I've said, we are looking forward to the outcome of the restructuring process and this further review by the Auditor General of Canada. We can sit here and debate all we want, but until we receive news from these two particular outcomes, we are awaiting the outcomes. This certainly can be the further review by bodies such as the Public Accounts Committee and so forth. We look forward to it and we have much faith in those processes, as it was our government that was actually able to reinstate the Public Accounts Committee. We have in fact been very forthcoming and transparent and we will continue to be so.

Mr. Mitchell: Well, five consecutive years of a clean bill of health -- I'll throw a few questions out for the minister. Does the minister feel that the special report of the Auditor General of Canada that was tabled in this Legislative Assembly into the operations of the Department of Highways and Public Works was a clean bill of health?

I remind the minister to read that one again if she needs some reading at some point to fill her time.

You know, the minister says that the Government of Yukon has been investing in these same vehicles since 2001. Well, they've been investing in asset-based commercial paper since 2001; they are not necessarily the same investments.

You can invest in the stock market. You can invest in IBM and you can invest in Bre-X. They are both stocks, but they are different. For that matter, to draw an analogy that is perhaps a little closer to the truth here, between investing in asset-based commercial paper in 2001 versus reinvesting in asset-based commercial paper on July 30, 31 and August 1 2007 -- it is kind of like the difference in investing in Bre-X while everybody was rushing to do it and then reinvesting in Bre-X after their chief geologist fell out of the helicopter in Indonesia. It is kind of different, Mr. Chair. Different facts -- different decisions should be made. This speaks to judgement, not whether there is a difference or no difference between the nature of the investment. The difference between the summer of 2007 and the summer of 2001 -- these are very different times, Mr. Chair.

Now, I appreciate the clarification that you gave us, that it wasn't for you to determine the relevance of discussions on the Public Accounts Committee. I had hoped the minister wouldn't go back there, but since she did, I'm going to read into the record, without prejudice and without editorial comment, two letters.

One is dated November 15, 2007 and is addressed to me, as chair of the Public Accounts Committee: "Dear Mr. Mitchell, the public accounts for the Government of Yukon 2006-2007 was published on October 25, 2007. The report confirms that the $36.5 million Government of Yukon invested in asset-backed commercial paper is in limbo. The investment raises a number of questions that should be examined by the Yukon's own Public Accounts Committee. They include, but are not limited to: do the investments comply with the *Financial Administration Act*? Why did the Premier decide to make these investments? Why was the Yukon investing in this type of paper when it was widely known in financial circles that it was risky?

"I would encourage you, as chair, to convene a meeting of the Public Accounts Committee to consider holding hearings to examine this decision in detail. The investment and potential loss of Yukon taxpayers' dollars also raises questions about the overall investment policy of the Government of Yukon. The committee should also examine this larger issue. I look forward to your response to this request.

"Sincerely, Don Inverarity, MLA for Porter Creek South".

Some Hon. Member: (Inaudible)

Mr. Mitchell: Excuse me, it reads: "MLA, Porter Creek South." Thank you to the Health and Social Services minister. I appreciate that.

Some Hon. Member: Point of order.

Point of order

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

Hon. Mr. Kenyon: Of course the member opposite is aware of the fact that normally we would table documents rather than read them into the record. Tabling a letter written to the Leader of the Liberal Party from another Liberal member seems to be politicizing the Public Accounts Committee more than a little.

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

Mr. Mitchell: I was not tabling a letter written to the Leader of the Liberal Party by a Liberal member. To look at it in that light would surely be politicizing the Public Accounts Committee. I was reading a letter --

Chair: Order please.

Some Hon. Member: (Inaudible)

Chair's ruling

Chair: Order please. I would like to remind all members that when the Chair calls for order, I expect all members to sit and listen to the Chair.

There is no point of order. Mr. Mitchell, you may proceed.

Mr. Mitchell: Thank you, Mr. Chair. The second letter is from November 16, 2007 and is addressed to the chair of the Public Accounts Committee. It reads: "Dear Sir" -- and I won't mention my name -- "I am writing to request that you convene a meeting of the Public Accounts Committee before the end of the current legislative sitting to discuss and plan for our next round of hearings. I would also like to advise you of my intention to recommend very strongly that the committee hold public hearings as soon as possible after December 14, 2007 to look into the matter of the Yukon government's investment practices in recent years. In particular, I believe that it is important for the committee to question Finance officials about the department's investments in asset-backed commercial paper, whether or not those investments were made in full conformity with the *Financial Administration Act*, and the extent to which those investments may have exposed Yukon taxpayers to potential financial loss.

"Yours sincerely, MLA McIntyre-Takhini, Public Accounts Committee member".

Now, Mr. Chair, I did not correspond in any way to the Public Accounts Committee until after I received those two letters. In fact, the Leader of the Third Party on his weekly radio broadcast publicly questioned why the chair of Public Accounts had not already requested a meeting, and I responded publicly that I had not requested a meeting because no members of Public Accounts Committee had asked me to do so. I did not start the ball rolling.

As the Chair will know, I simply asked members to convene to consider two letters that I received in my capacity as chair. I do not want to politicize Public Accounts Committee. I wanted to state for the record that that is why I had corresponded with all members of the Public Accounts Committee: to suggest that two in their midst had requested a meeting to consider this and other matters, and what was their pleasure.

I want to remind this Assembly, these letters are dated November 15 and November 16. I responded to them around November 16 or 17 by e-mail. My letter to the Auditor General of Canada, in my capacity as Leader of the Official Opposition, was sent on November 9 and we received a response on November 20. That is why, in that time in-between, when I had not heard from the Auditor General -- and she might have chosen not to look into this matter -- I responded asking the members if it was their pleasure to convene. Enough said.

Now, I want to point out that I believe it is now five times -- I want to be conservative here: it might be six, but let's go

with five -- that I have requested this acting Finance minister -- who must have the financial acumen to do this. She is in charge of the finances of the Government of Yukon; we have a $900 million-and-some-odd budget in this territory -- if she would provide me with the interest rate differential in percentage or in basis points and the dollar equivalent that was anticipated to be earned when we invested $36.5 million in a short-term note in these trusts. What were we supposed to gain versus Government of Canada-type investments, which have not been frozen?

Now, I can only presume that the minister does not want to provide the answer, because I've asked it five times. It's not a question of not liking the answers we're getting; it's a question of not getting the answers we're requesting.

Let's move on. The minister has heard it enough times that I'm sure she's not going to lose track of the question. I don't want to get back into any more "he said-she said" type discussions on previous governments and on unqualified audits because it's not doing anybody any good.

I've asked: has the minister ever seen the guarantee? I've asked which bank guaranteed the investment. I'm not getting those answers. Companies are writing this down; government is not. When would a decision be made to do that? Presumably it would be after December 14.

I'll ask a couple of other questions of this portfolio. Where is the $17.5 million from the federal housing trust sitting at this point? Is it considered to be part of the surplus?

Some Hon. Member: (Inaudible)

Mr. Mitchell: The federal northern housing trust -- the money that came from the federal government. Thank you to the Member for Vuntut Gwitchin for correcting that. It's the northern housing trust. We know that the $32.5 million was provided directly to the First Nations and we know that they're working on their plan for that.

What is the status of the $17.5 million? How is it considered at this point? Where is the $5 million for the eco-trust for clean air and climate change? It was announced that it would go toward a third wheel but it has not yet been spent on that. I presume that this is sitting in part of its surplus. Perhaps these two sums -- $17.5 million and $5 million, so $22.5 million -- are actually invested in Opus and Symphony trusts. Perhaps that's where it is. Perhaps it's in Opus Trust Series A discount note and Symphony Trust Series A discount note. That may be where it is; we don't know.

Where is the patient wait-times guarantee money -- some $4.4 million? Has that now been spent or is it still sitting? These are just straightforward questions. I don't want to use up much more of my time. I know there are other members who want to speak. I think we should allow them to have a chance to do so.

One more -- because I want to roll them up into one because I know I'm going to get a very thorough answer, about 19 minutes. Why did the government choose to sit on the audits requested by, I believe, the former Deputy Minister of Finance, who had urged Cabinet to do this special audit? Why did the government have an audit that was dated January 2007 that became available to those of us in this Assembly who are not sitting within the government caucuses and to the general public at some time in November 2007? Was this done so the government could beaver away and see how many of the deficiencies they could try to address prior to having to show us that C and D report card, or was it an oversight? Would the minister commit, in the future when there are special audits done, to make them available in a more timely manner -- perhaps a week or two after they become available to government?

Hon. Ms. Taylor: Well, Mr. Chair, I guess when we want to talk about special reports, let's talk about the special report on the Mayo-to-Dawson transmission line. There are a bunch of good zingers in that one.

Mr. Chair, without going down that path, because that is where the Leader of the Official Opposition just took us -- I could spend the next 20 minutes pointing out all the deficiencies of the previous Liberal government, and that is in fact why we on this side of the House are doing what we're doing today.

Mr. Chair, without having to go into the Public Accounts Committee -- I'm going to leave that for the Public Accounts Committee to review the *Hansard* and all that Leader of the Official Opposition had to say about the Public Accounts Committee. It is going to be a very interesting discussion.

When we talk about our $900-million-plus budget, as I mentioned earlier, we are very proud of the level of investments that have been made in this territory, investments that have not been addressed over the course of many years. I refer to new investments in housing developments for seniors and elders, new investments in our communities, a new recreation centre in Mayo, for example. I refer to new infrastructure for clean drinking water. I refer to infrastructure for addressing substance abuse in our communities.

There is so much more work to be done, and there always will be; there's no dispute about that. Again, because this government has the liberty of having the privilege of net financial resources, instead of having to debate about net debt -- which we have experienced in the past, by the way -- this government is only one of two jurisdictions in this country that are very pleased to have net financial resources -- we have options available to address areas of critical importance to all Yukoners. We have been able to deliver on a number of different fronts.

I just want to go back to what the Leader of the Official Opposition had to say regarding the special review to be undertaken by the Auditor General of Canada on whether or not the Government of Yukon complied with the *Financial Administration Act*. The way the Government of Yukon has been making investment decisions, as defined by the *Financial Administration Act*, has not changed over the many years since 1986.

In fact, since 2001, asset-backed commercial paper has been purchased. If the member opposite is saying that the banks did not provide backing this year, in 2007, then really, looking to the past, I guess you could say that backing was not provided back in 2001. So really, what is interesting is that we would be very pleased to see if the Auditor General would like to confirm that, in 2007, as in 2001, these investments were backed by the banks. In fact, perhaps that question should be raised with the Auditor General of Canada. It would be very interesting.

So again, as I articulated before, this asset-backed commercial paper was, in fact, purchased by the previous Liberal government. In fact, it had the same structure in effect. It was structured identically, regardless if it was bank sponsored or third-party sponsored. Mr. Chair, at the end of the day these assets were backed by the banks. The backing was an arrangement between the banks and the trusts, not with the Government of Yukon. This same rating of assets -- the same single rating, I might add -- was used; the same backing was used; the same liquidity arrangements and so forth -- the same asset structures were used, Mr. Chair.

So it would be very interesting to pose that question to the Auditor General of Canada to see whether or not, in fact, those investments that were made in 2007, which were being made under the same structures as those in 2001, whether or not those should be under review as well.

Mr. Chair, as I have stated on the floor of the Legislature, our Government of Yukon has worked very hard over the last number of years, thanks to the good work of the officials employed by the Government of Yukon and thanks to the good work of First Nation governments, plus working with our respective federal governments, municipalities, our community agencies, our non-governmental organizations and so forth to really work together and address areas of critical importance to Yukoners. We have been able to do just that.

Again, I will just remind members opposite that, unlike previous governments, it has been this government that has been able to rise to the challenge to address childcare and issues such as social assistance and substance abuse. Believe me, there were a lot of great initiatives that were undertaken by previous governments and there is much more work to be done by future governments. There is no question about that. Again, it is important to point out that because of the net financial resources attributed to the Government of Yukon -- one of only two jurisdictions in this country -- we have been able to make some very good improvements in the quality of life for all Yukoners.

There has been a lot of debate about a new corrections centre and new treatment facilities. These are all initiatives that are being worked on in partnership with Yukon First Nations and with many different organizations, to be sure.

Through our Minister of Education we were able to announce new investments in experiential education, new investments in schools in the Yukon.

So, Mr. Chair, again I just raise that as a point of principle that we wouldn't even be able to debate these particular initiatives if it weren't for having a good financial bill of clean health from the Auditor General of Canada. We certainly look forward to working with the Auditor General of Canada as we have in the last five years to improve and to be able to better deliver programs and services in a fiscally responsible manner.

Mr. Chair, the Leader of the Official Opposition made reference to the recent audit on contribution agreements in the Yukon and, as I have stated on the floor of the Legislature, this was by far the most comprehensive review of contribution agreements to be held and undertaken by any government in 15 years. In fact, it is our government that has been able to substantially increase and enhance resources available to the government audit services as housed in the Executive Council Office so we can do additional audits and additional internal reviews in the Government of Yukon.

Members opposite may think that that is a bad thing. I view that as a welcome change. If we don't take time to review how we do business or determine what it is that we are delivering, that is not good governance. Good governance is all about reflecting upon practices and program delivery. It is about saying to ourselves: how can we effect change better and make better use of taxpayers' dollars? We have been able to do just that.

The audit was posted on the Government of Yukon Web site -- and again I'll just say that we were the first government to actually post this information for all members of the public to view. The goal was to put in place a better process, which not only addresses emerging needs of our community but it also reinstates the need for more accountability. So we are following up on the recommendations, many of which have been completed to date, many of which are well underway. At the end of the day, however, I am pleased to be part of a government that has enhanced and substantially increased resources to non-government organizations in the territory: women's organizations, the Fetal Alcohol Syndrome Society of Yukon, or the Yukon Volunteer Bureau. The list is endless. What I do know is that we have committed, as we have in the previous years, to enhance the delivery of programming via community organizations. These organizations are doing a stellar job on behalf of Yukoners. While we continue to strive for more accountability within our own internal process, we're also striving to meet emerging new needs as well as existing needs of organizations. I think that is a very good thing.

I can certainly appreciate the questions coming forward from the members opposite, but I have to point out again that audits such as these are very welcome. We very much welcome these reviews that are done from time to time. In fact, we have enhanced resources to the offices so we can have more reviews performed. That's a good thing.

I will just point out again that it is an internal review. It is to look at practices within the Government of Yukon. These practices have not been reviewed for 15 years or so. Again, there are a number of really great suggestions. I think that there are 59 recommendations in all.

A tremendous amount of work has been done. Substantial, comprehensive action plans have been delivered by many of the different departments on how they can respond to these particular recommendations. The purpose is to identify ways in which government can improve its own internal processes. That is, in fact, what we have done while being able to also raise the bar in terms of being able to meet the critical needs. They were justified and certainly were needed.

Now, Mr. Chair, the member opposite also made reference to a couple of expenditures. When it comes to the northern housing trust, we were very pleased to work with Yukon First Nations and to allocate funding to First Nations directly. The remainder not distributed to Yukon First Nations was $17.5

million. That does remain in general revenue until such time as it has been deemed to be identified.

As I mentioned before, there are a number of different initiatives and developments underway. I refer to the social housing initiative. We have seen fit to enhance the delivery of affordable and secure housing, particularly for lone-parent families and children as well as victims of violence. Those are two key areas of critical importance. It certainly is backed up by information.

We are also undertaking numerous other housing developments. I articulated a number of those earlier in general debate under the Women's Directorate. Had I been afforded more time, I could have elaborated on those particular housing developments. I would be happy to engage in that debate at any time.

There was also a question pertaining to the $5 million -- I think it was the environmental trust -- and that is in general revenue.

With respect to the patient wait times, I will defer to the Minister of Health and Social Services. The Department of Health and Social Services, hopefully, will receive some debate during this sitting. I guess we'll have to wait and see if members opposite expend their time wisely. But again, Mr. Chair, we are very pleased with the progress that has been made, and we certainly look forward to more on this front.

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

Recess

Chair: Committee of the Whole will now come to order. The matter before Committee is Bill No. 8, *Second Appropriation Act, 2007-08*, Department of Finance.

Mr. Cardiff: It gives me pleasure to enter into the debate on Vote 12, Department of Finance. I will roll a few questions out here.

I am hoping that we can change things a little bit. I would like to ask questions in a similar vein, but I'm hoping that by asking them in a different way we may get some different answers or some answers to questions that I believe have yet to be answered. I don't believe that it's valuable to review the history of previous governments. What we're here to do is look at what's transpired in the recent past and what direction the government is looking at taking in the future.

Some of this information may not be right at the Acting Minister of Finance's fingertips. I would be more than happy to receive some of this information by way of legislative return at some point in the future.

We understand that the investments have been made under the authority of the *Financial Administration Act*. There may be a little bit of discrepancy as to whether or not the ratings were guaranteed by two guarantors or not. I don't have the *Financial Administration Act* in front of me, but that is my recollection from reading it.

Besides the *Financial Administration Act*, the department has to have some sort of an operating policy, as well as the *Financial Administration Act*. There should be some sort of an operational policy within the Department of Finance about how investments are made.

We in the third party would be to hear what that policy is, or receive a copy of that policy. We'd like to know how current that operating policy is, when the policy that they are operating under now was brought into effect, and we'd also like to know how often, if ever, that policy is reviewed.

We'd like to know what kind of information the Department of Finance uses or receives when they are making these large investments, whether they're in Canada Savings Bonds or whether they're in asset-backed commercial paper, or any other financial instrument.

Where do the department officials get that advice? We'd also like to know how often that operational policy is reviewed. I guess what I'd like to know at this point is if it is currently being reviewed.

Could the minister answer those questions? I do have a few more questions. If she could briefly give me answers to those questions, or provide some of that information by way of legislative return, I'd appreciate it.

Thank you.

Hon. Ms. Taylor: As I think I've stated before, the way in which Yukon makes investments has effectively not changed for more than 20 years. It is effectively the same as it was back in 1986. As I think I stated before, when it comes to asset-backed commercial paper, those investments have been made since 2001. We rely heavily on the advice of Department of Finance officials, who also seek advice from respected professionals in the investment community.

From there, markets change, things change, and we've seen a lot of volatility over the years. But effectively, as we look at policies and procedures as laid out in the *Financial Administration Act*, they have remained the same for the last 20 years or so. They are well-diversified. I tabled a list of investments that were made -- I think it was in the middle of November -- with a number of different financial institutions, most of which -- I'd say "all of which" -- are very reputable financial institutions.

Asset-backed commercial paper comprises about 15 percent of the entire investment portfolio. So, again, those expenditures were first made in 2001, as I relayed to the Leader of the Official Opposition.

Relying upon the professional judgement of our officials in the Department of Finance, and certainly others, has been part of doing due diligence as well. So, that is in fact what has transpired.

Mr. Cardiff: Well, I did get answers to some of the questions that I asked. I found out that the government relies on the professional judgement of officials from the Department of Finance to make investments and they in turn receive advice from professionals. We didn't find out who those professionals are. We didn't find out what kind of information the department gets before making investments.

It sounds to me that the acting minister is telling us that the policy for the way any investments are made on behalf of the taxpayers hasn't changed in 20 years. That would accurately reflect the situation with the *Financial Administration Act*, I believe. I don't believe there have been any substantial amend-

ments to the *Financial Administration Act* since 1986. But I didn't find out anything about an internal Department of Finance operational policy around investments. It would lead one to believe that the investments are basically made by way of advice from the *Financial Administration Act* and there is no operational policy. If there is, the minister does not want to acknowledge or talk about that policy. If it does exist, I would most certainly be interested in seeing a copy of that policy. I would also recommend that maybe the government might want to look at having a policy about how investments are made, given some of the questions that have been raised by my colleague, the Member for Whitehorse Centre, about various types of investments.

As we've heard today, and as all of us know, the investment community and the investment climate in the last 20 years has changed considerably and so too has the public perception of investing. There are a lot more people investing and there are a lot more people, I believe, who have an opinion about how those investments should be made.

Maybe it is something that the public needs to be consulted on -- about what their views are on how government officials and elected politicians invest taxpayers' money, and whether it is right for taxpayers' money to be invested in arms and munitions or industries that aren't environmentally friendly. I believe that a large sector of the population would think we should be looking twice at investments like that. I mean, if you look at what Canadians and Yukoners are saying about the environment, then we should be looking at investing in new technologies that help sustain our environment for future generations.

On that note, maybe we need to look at having an operational policy for the Department of Finance about investments. Maybe we need to consult the public about that. Maybe we need to, after 20 years, review the *Financial Administration Act*. I'm sure the minister will respond to that.

I'd like to ask a couple more questions about the contingency for what's going to happen after December 14. The minister has stated we are signed on to the agreement in Montreal. It would be interesting to know, when this all started to become a concern to investors, whether or not the government actually did get a heads-up that there could be some concern about this. I believe the investments were made as late as August or September. There was concern; I know there was concern some of these investments. It would be interesting to know whether or not any of the banks had provided a bit of a heads-up to government officials and whether that was translated to the Minister of Finance when it did come to their attention.

Depending on the outcome of what happens, we have a vote. It appears to me that what the government has typically done and what seems to be a policy -- or in the absence of a written policy, it seems to be the practice of the government -- is invest in short-term investments and roll them over on a regular basis. It would appear, according to the government, that they've done fairly well at that, up until this point in time, given the figures that they've presented in this House.

I'm wondering what effect it's going to have on government investment policy and maybe even on their vote on December 14, depending on what recommendations come from Montreal.

The government will have a couple of options. The people who make this decision will have a couple of options. They're either going to write down the loss on these investments, in which case the government will have to write those losses off, or they may have to roll them over into a longer term, higher risk investment. The minister will stand up and say that it would be premature to make a statement about that, but it's something they need to consider. They must be giving it some consideration. We're only eight days away, at this point, from when a decision will be made. The government should be thinking about their policy and whether or not they're willing to take that loss and, by extension, go back to some of those safer investments, or whether they buy in for a longer term, possibly higher risk, investment.

If the minister could respond to those questions, it would be appreciated.

Hon. Ms. Taylor: I'm not sure if I caught all the questions, but I'll do my best to answer what I did hear.

As I mentioned earlier, we are operating under the investment rules as outlined in the *Financial Administration Act*, as we have since 1986 -- for the last 20 years. The *Financial Administration Act* is quite prescriptive in terms of what it is the Government of Yukon can and cannot invest in, and that any changes to the act -- there are always changes and proposed amendments made to different pieces of legislation -- would have to come under review

Again, it outlines provisions as to what the Government of Yukon can invest in. It has been primarily in the money markets on a short-term basis. It certainly is not unlike what other jurisdictions have practised in the past -- that is, pertaining to short-term, low-risk, low-rate-of-return investments. Unlike other particular funds, for example -- I suppose if there is a wish to look at pension plans and funds associated with those, they have the opportunity to invest on a longer term basis. There is a bit of difference with short-term investments that are made primarily by the Government of Yukon.

Equities are not invested in; again, it's short-term securities that are obligations of or guaranteed by the Government of Canada or a province, or fixed deposits, notes, certificates and short-term investments and the like, as well as commercial paper. It is fairly prescriptive, but the investments are always in the money markets and not equities, so to speak.

In terms of whether or not any warning was provided when it came down to the asset-backed commercial paper, there was no warning in effect. It occurred. As the member opposite predicted, I am not going to predetermine any outcome of the restructuring process, other than the fact that we will find out fairly shortly what that outcome will be.

Mr. Cardiff: I think I understand why the minister would not want to predetermine what's going to happen on December 14. I just think it's something we need to look at. The minister, quite rightly, pointed out what the reasons are for not -- I mean, we're talking about investing taxpayers' dollars that need to be available for government expenditures. So, if you do invest them long term, they're not going to be available without

paying some sort of a penalty if you have to access that money. It could pose a problem for the government, because they're going to be faced with a quandary -- having to go long term if that's what the decision is to do with these investments in Montreal, or get out of them and possibly take a loss.

That leads me back to a question I asked, which I didn't hear an answer to. I guess I'm going to be left to believe that there is no administrative operational policy around investing taxpayers' dollars. We're operating strictly under the guidelines of the *Financial Administration Act*, which is 20 years old.

I'm going to go back to the question I asked about an operational policy and the *Financial Administration Act* is: there any desire on the part of this government to look at reviewing these policies or, in the absence of those policies, reviewing the *Financial Administration Act*? It's a 20-year-old piece of legislation. We all know that investment instruments have changed in the last 20 years. We all know that the public sentiment about how investments are made has changed.

I think that a review of the *Financial Administration Act* could be warranted.

I'd appreciate it if the minister could respond to the question about the *Financial Administration Act* and the possibility of a review -- is the government considering that in light of what has transpired?

Hon. Ms. Taylor: Mr. Chair, as I just stated earlier today, we're not unlike a lot of other jurisdictions in terms of making short-term investments, money markets, et cetera. In fact, with the *Financial Administration Act*, I guess you could almost say that, compared to other jurisdictions, we are more prescriptive as to what we can and cannot invest in. Reviews are done from time to time, but we're not going to be amending the *Financial Administration Act* tomorrow, if that is in fact what is being asked.

I think that when the Auditor General's further review is performed on these particular transactions, there may be some suggestions -- perhaps there won't be, I don't know. I'm not going to predetermine the outcome. That may help define whether or not a review of the *Financial Administration Act* is required. As I've articulated, we will certainly welcome those findings and those recommendations made by the Auditor General at that particular time.

Mr. Cardiff: I thank the minister for that answer. I'm not suggesting that we grant unanimous consent to amend the *Financial Administration Act* before Christmas. I was suggesting that we may want to initiate a review of the *Financial Administration Act*.

It's good to know that it is more prescriptive. I mean, what we're talking about is providing protection for taxpayers' dollars here. It's also about doing what's right with that money. As I said earlier, I think that what we on this side in the third party have tabled as a recommendation is that we look at ensuring that a certain percentage of our investments -- the taxpayers' dollars investments -- are made into what is commonly known as "ethical" or "green" funds, where basically we can be guaranteed that not only is there usually a pretty good return on the dollars that are invested, but we can also ensure that we're not harming other communities or our environment and that we're actually advancing society where we're working toward a more sustainable future, not just for ourselves here in the Yukon Territory, but for ourselves here in Canada as Canadian citizens, North Americans, and globally as well.

We received a briefing note back in April around lapses in revotes. All the figures were there, except for one, which I'll get to. All the figures show that, since 1998-99, the amount of gross capital lapses has grown considerably. I suppose you have to put this into context, because the budgets at that time were smaller than they are now. However, in 2005-06, we lapsed $50 million.

The figure for 2006-07 was unknown at that time and I am just wondering if we know what the gross capital lapse for 2006-07 is at this point in time. Can the minister provide that?

Hon. Ms. Taylor: I don't have the information about lapses here, but I do have the information pertaining to revotes, if that is of assistance to the member opposite. In terms of capital revotes, there has actually been $27,897,000 since last year that has been revoted this year in the budget we are debating.

Mr. Cardiff: I would like that figure, the gross capital lapse for 2006-07, at some point in the future. If the acting minister could have that sent along at some point in the future, it would be appreciated.

The point I would like to make about this is that budgets have grown and so have lapses. It goes back to something that was raised earlier. One of the things we could talk about -- and it is applicable to the Auditor General's report on the Department of Highways and Public Works -- is the fact that there are projects that go overbudget and are not on time. It's not just in the Department of Highways and Public Works where that occurs.

When we look at the supplementary budget, it is the government's spending plan. They are making commitments to the public that there are capital projects, operation and maintenance expenditures and services that are going to be provided.

I can provide a couple of different examples, one being the multi-level care facility in Dawson City. It was promised; it was budgeted for, not in this fiscal year; and then the money was lapsed. That money was never revoted. If you look at the history, the lapses always exceed the revotes, which would make sense, I suppose, because we wouldn't be revoting something if it wasn't lapsed.

There are a lot of promises and expectations created in the public through budgets -- the Dawson City multi-level health care facility is one. There was $500,000 a few years ago for a new receiving home, and we all know how much we need that new facility. The current facility needs to be replaced.

I'm just wondering what promises the government has made in this supplementary budget and in the mains that will be lapsed, and what projects will either not be started or not completed in the remaining three or four months of this budget cycle and the coming year.

Hon. Ms. Taylor: I can certainly itemize the revotes by department, but I would think that these are pertinent questions to the respective departments. Tourism and Culture, for example -- had the third party even raised one question during

that debate, they would have found out the revote was for Tourism and Culture, but that didn't happen.

I don't have that information at my fingertips. But certainly, the members opposite have the Department of Health and Social Services and other departments coming up, so I guess those would be more specific questions to raise with the respective departments.

Mr. Cardiff: Those are all the questions. What I had asked for was the 2006-07 gross capital lapse. That appears not to be available, so I have no further questions.

I would request the unanimous consent of the Committee to deem all lines in Vote 12, Department of Finance, cleared or carried, as required.

Unanimous consent re deeming all lines in Vote 12, Department of Finance, cleared or carried

Chair: Mr. Cardiff has requested the unanimous consent of the Committee to deem all lines in Vote 12, Department of Finance, cleared or carried, as required. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Member: Disagreed.

Chair: There is not unanimous consent. Is there any further general debate?

Seeing none, we will proceed line by line in the Department of Finance.

On Operation and Maintenance Expenditures

On Treasury

Treasury in the amount of $198,000 agreed to

On Total of Other O&M Programs

Total of Other O&M Programs in the amount of nil cleared

Total Operation and Maintenance Expenditures in the amount of $198,000 agreed to

On Capital Expenditures

On Treasury

On Office Furniture, Equipment, Systems and Space

Office Furniture, Equipment, Systems and Space in the amount of $57,000 agreed to

On Total of Other Capital Expenditures

Total of Other Capital Expenditures in the amount of nil cleared

Total Capital Expenditures in the amount of $57,000 agreed to

On Revenues

Revenues cleared

Department of Finance agreed to

Hon. Mr. Cathers: Mr. Chair, I move that you report progress on Bill No. 8, *Second Appropriation Act, 2007-08*.

Chair: Mr. Cathers has moved that we report progress Bill No. 8, *Second Appropriation Act, 2007-08*.

Motion agreed to

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

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

Motion agreed to

Speaker resumes the Chair

Speaker: I 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. 8, *Second Appropriation Act, 2007-08,* 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.

GOVERNMENT BILLS

Bill No. 44: Second Reading

Clerk: Second reading, Bill No. 44, standing in the name of the Hon. Mr. Fentie.

Hon. Mr. Cathers: I move that Bill No. 44, entitled *Act to Amend the Income Tax Act (2007),* be now read a second time.

Speaker: It has been moved by the Minister of Health and Social Services that Bill No. 44, entitled *Act to Amend the Income Tax Act (2007),* be now read a second time.

Hon. Mr. Cathers: It gives me great pleasure to introduce this bill for debate here today. The primary purpose of this bill is to incorporate into the Yukon *Income Tax Act* a child tax credit and a Yukon child fitness tax credit that mirror similar federal credits and also have an implication on reducing the Yukon portion of taxes for families in those brackets.

The Yukon and other provincial and territorial governments very often mirror federal tax initiatives to simplify the process for the taxpayer and for administrative efficiency. Without this bill Yukoners with children would be paying more income tax.

With this credit we recognize the investment that families place in their children by offering relief to taxpayers with children under the age of 18. The Yukon child tax credit amount is $2,000 per child and will therefore provide relief of up $140.80 per child.

The second credit provided for under this legislation is the Yukon child fitness tax credit. This credit is designed to encourage children's participation in programs and activities that contribute to healthy and active living. The Yukon child fitness tax credit amount is up to $500 per child under 16 years of age. A wide variety of supervised children's programs will be eligible for this reduction in tax.

Parents of children with disabilities will be entitled to claim an additional amount of $500 in recognition of the extra costs involved to engage these children in physical activity programs. Finally, this bill contains other minor provisions that are housekeeping in nature. The effects of these changes will be felt when Yukoners file their 2007 tax returns. The bottom

line is that this amendment will leave more money in the pockets of Yukoners by providing an increased tax credit.

Specifically, an additional $1 million annually will remain in the hands of Yukoners with children, beginning in 2007. This is part of our ongoing efforts to reduce taxes for the benefit of Yukoners.

Mr. Mitchell: We in the Official Opposition are pleased and thankful to see these changes to the *Income Tax Act*. We recognize that it's largely to conform to changes in the federal legislation. We are happy to see the Yukon government matching the federal tax credit for Yukon parents with the Yukon child tax credit, and it's good to see a form of Yukon education in the fitness youth tax credit -- which is something for which we had advocated in the last election -- being introduced on the floor of the House today.

The comments I would like to make are as follows: the minister has indicated specifically that one portion of this will actually potentially come to $140.80 per child. Just for clarity, my understanding from the news release that came out some time ago is that the Yukon child fitness tax credit of up to $500 for participation in sports will only translate into a realized tax savings of $35.20 per child annually and will only be for parents with children participating in sports and some other not-yet-defined recreational programs.

I guess the concern I have is that, although it sounds good and anything that puts money back in the pockets of parents is a positive thing and the $500 sounds good, if that only translates to $35.20 per child as previously announced, then that is, in effect, a bicycle or hockey helmet and I wish we could have done more.

I do know from previous tax changes that the Finance minister and officials have explained it is very difficult to go out on our own and have additional tax measures different from those that just mirror the federal ones. If the minister is going to point that out, I appreciate that.

I will say that our platform in the last election -- they quoted from theirs so I'll quote from ours -- did have an exact and straightforward annual tax savings of up to $250 for parents with children in sports and/or arts programming, because some people pursue the sports and some pursue the arts. It was a dollar-for-dollar credit. If you spent as much as $250, that was the amount you got back.

We think a healthy and active lifestyle is more than just sport; it also encompasses aspects of arts as well. It could be dancing or other things, and we think that if the government would consider that in the future, they could do more to help Yukon families and we'll support them on that.

A couple of other things I would like to suggest to the government while they are looking at tax changes would be to not have any Yukon income tax on the federal childcare payments. On those cheques that come to Yukoners, it's my understanding there is both federal and, therefore, Yukon tax deducted from those payments. It would be nice to, number one, be an advocate with the federal government to exempt those from tax, which would then make it very easy for the Government of Yukon to do the same because the calculations would be very straightforward if the federal government did that. I urge the government to do that.

Another thing they might look at would be a $250 specific tax reduction focused on lower income Yukoners, a teachers' supplies credit -- so there's more to be done.

Having said that, I want to assure the minister that these are said as positive suggestions, not as criticisms. We do thank the minister for the positive steps that have been made and we will support this.

Mr. Cardiff: I'm pleased to rise today to speak to Bill No. 44, *Act to Amend the Income Tax Act (2007)*. We in the third party also recognize that this is largely an amendment to the *Income Tax Act* to mirror federal tax initiatives.

While we support this -- and we won't have a repeat this year of the go-around we had with the Minister of Finance last year when they amended the *Income Tax Act* to mirror federal income tax legislation. I would just like to put on record that we can support this, that parents raising children do face financial challenges. Many families face financial challenges when raising their children, and we support active lifestyles. I know that the Member for Whitehorse Centre has said on many occasions that tax credits for participation in sports and recreation activities -- and this was just mentioned by the previous speaker -- could also be extended to children who decide to pursue arts activities.

The minister, or acting minister, or acting acting minister -- I'm not sure which one it is -- stated that this would benefit a wide variety of families, and that's very true. It will benefit a wide variety of families.

But I'll tell you, Mr. Speaker, about the wide variety of families it will not help out. It won't help out those families who can't afford to put their children into sports activities. As it was pointed out just moments ago, the $500 tax credit -- we're not sure what that equates to.

The Minister of Education definitely has some advice to give the acting minister about this.

It could equate to the price of a hockey helmet or bicycle helmet. A lot of hockey sticks these days cost more than $35. It's a real challenge for single parents to put their children into organized sports activities. It's not cheap to get the equipment to allow their children to participate. Consequently, the tax credit may or may not help those families.

There was some uncertainty when this was first announced about which sports activities and which recreational activities would qualify for this tax credit. That's something that I think needs to be clarified. If the minister could do that, it would also be helpful.

I had a discussion with the Minister of Finance about this in the spring when I asked him to commit to this: the next time they brought forward changes to the *Income Tax Act* they would do something about raising the threshold of the low-income family tax credit. I don't have those figures in front of me, but I do remember that I asked the Minister of Finance to do that. It would make a real difference to those parents who are working at a lower wage job or working two or three jobs trying to put food on the table and shoes on their children's feet

and making sure they go to school with warm food in their bellies and have everything they need for school.

That would make a big difference in those families' lives, whereas this, Mr. Speaker, probably isn't going to benefit a large number of those low-income families.

One of the other things the government could consider is to stop clawing back the national child benefit supplement as well. That would also help low-income families. Too often what we find here, at least in the third party, is that many of these income tax initiatives are targeted at people who make a living in the income brackets that are in excess of $30,000, $35,000 a year. The ones who really benefit are those that are in the $40,000 to $70,000 a year bracket, because they can afford to put their kids into hockey and soccer and they have the resources to do that, whereas a lot of single-parent families and low-income families, who are struggling on a daily basis just to get food and clothing for their children -- this does not help them, because they don't make enough money to pay the tax.

I would urge the acting minister to take those messages back to the Minister of Finance when he is able and to encourage him once more to bring some real changes to the income tax system that are going to help those people who struggle on a daily basis.

Thank you.

Speaker: The member's speech shall close debate. Does any other member wish to be heard?

Hon. Mr. Cathers: I thank the members who spoke in favour of this for their comments. I would be pleased to answer a number of those areas.

There was some concern expressed by both members as to the level of benefit from this. We certainly recognize that this is one part of an overall program to assist families and reduce taxes for families in this area, but it has been complemented through other areas, such as the increase we announced today to the Yukon child benefit, which is provided through the Yukon government, of course, increasing the maximum amount received by families from a previous level of $37.50 per child to a new level of $57.50. This is a $20 increase per month, per child, for those receiving the maximum assistance. As well there is the raising of the maximum income eligibility level under the Yukon child benefit from a previous level of $25,000 of family income to a new level of $30,000. That is another area where we're assisting low-income families to reduce the amount of their costs and helping them.

The Yukon child benefit increase will benefit families regardless of whether they access licensed childcare or whether they raise their children at home or have them cared for by someone else. It will apply across the board to all families in that income bracket. As well, of course, the childcare subsidy that I alluded to is yet another measure increasing support, particularly for families of low incomes. We announced that increase, of course, last month and it took effect on December 1, just a few short days ago.

The Member for Mount Lorne also mentioned the issue of children having food in their belly going to school. I remind the member of the announcement I made last month, or perhaps it was late October -- I can't recall which, but the member will find the press release on the Web site -- increasing the funding for Food for Learning by $50,000 per year to a new level of $91,750.

As far as children participating in sports, the member will recall that it is this government that significantly increased the allocation for the kids recreation fund to assist more families in accessing that support for their children.

Both members mentioned the issue of federal child benefit programs, and I would point out to the members that in fact the Yukon government, under social assistance, only factors in one federal child benefit. Only one is considered income for those purposes. We do not claw back the universal childcare benefit, the $100 a month that was introduced.

The only one that is considered income is the national child benefit, and that is for a very specific reason. That program was specifically designed -- as the members will see, if they look at the annual reports that come out. Another one will be coming out shortly, reflecting the last fiscal year. I don't know the exact date of the release of that report. But the ministers responsible for childcare in every jurisdiction of Canada sign off on the report, and I did so not long ago.

There will be a report shortly. The report on the national child benefit identifies very clearly in the opening pages that the intent of this federal program is specifically that the national child benefit would benefit low-income families not on social assistance in an effort to reduce what is referred to as the "welfare wall". Again, this is for low-income families in the workforce who are not on social assistance. In fact, if members look at the report, they will see that every jurisdiction in Canada either considers the national child benefit to be income or they have reduced their child payments under social assistance accordingly to reflect a direct flow through the NCB.

Again, I emphasize that rather than reducing the payments for social assistance to children, what the Yukon did was consider the national child benefit to be income for the purposes of social assistance, as is the case in, I believe, approximately half of the other Canadian jurisdictions.

To do anything else to exclude the national child benefit from being income when social assistance is calculated, without correspondingly reducing the rates paid to families with children under the social assistance program, would directly fly in the face of the intent of the NCB program.

In fact, the federal money that comes through -- the amount that is received from the national child benefit being factored as social assistance and through taxation -- is specifically there. It is reinvested. Every jurisdiction that does consider it income for social assistance reinvests that money. The Yukon does that. In fact, it was an NDP government of the day that made that decision and set up the existing structure and we agree with that structure and intend to leave it as it is, because that program was specifically designed for the purpose it is currently fulfilling, being one more step to assist low-income families who are not on social assistance, reduce the challenges that those people face and reduce what is referred to as the "welfare wall."

Returning to this change to the *Income Tax Act* -- I thank members for their support. This change, as I pointed out, is one part of the changes and the announcements that this government has made in an effort to reduce the challenges faced by, particularly, low-income families, to further strengthen the support and the structure for assisting people of low incomes who have children and, of course, in other areas we assist Yukoners without children, but this is specific to children.

In this case, as I pointed out, this does reflect a change that the federal government put in place in the area of income tax credits. For us not to bring forward this amendment to the act would have reflected in people within certain brackets actually paying more income tax than they had previously done. By making this change, they will in fact have a reduction on both their federal tax and their territorial tax. We're pleased to bring forward this change accordingly.

We are pleased to be once again standing on the floor of this House to reduce taxes. I thank members for their support.

Speaker: Are you prepared for the question?

Motion for second reading of Bill No. 44 agreed to

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

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

Motion agreed to

Speaker: The House now stands adjourned until 1:00 p.m. on Monday.

The House adjourned at 5:29 p.m.

The following documents were filed December 6, 2007:

07-1-41

Conflict of Interest re Elaine Taylor: letter (dated December 4, 2007) from Elaine Taylor to David Jones, Yukon Conflict of Interest Commissioner (Taylor)

07-1-42

Conflict of Interest re Elaine Taylor: letter (dated December 4, 2007) from David Jones, Yukon Conflict of Interest Commissioner to Elaine Taylor (Taylor)