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HANSARD

Tuesday, March 13, 2018 — 1:00 p.m.

Speaker: The Honourable Nils Clarke

YUKON LEGISLATIVE ASSEMBLY

2018 Spring Sitting

SPEAKER — Hon. Nils Clarke, MLA, Riverdale North
DEPUTY SPEAKER and CHAIR OF COMMITTEE OF THE WHOLE — Don Hutton, MLA, Mayo-Tatchun
DEPUTY CHAIR OF COMMITTEE OF THE WHOLE — Ted Adel, MLA, Copperbelt North

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NAME	CONSTITUENCY	PORTFOLIO
Hon. Sandy Silver	Klondike	Premier Minister of the Executive Council Office; Finance
Hon. Ranj Pillai	Porter Creek South	Deputy Premier Minister of Energy, Mines and Resources; Economic Development; Minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation
Hon. Tracy-Anne McPhee	Riverdale South	Government House Leader Minister of Education; Justice
Hon. John Streicker	Mount Lorne-Southern Lakes	Minister of Community Services; Minister responsible for the French Language Services Directorate; Yukon Liquor Corporation and the Yukon Lottery Commission
Hon. Pauline Frost	Vuntut Gwitchin	Minister of Health and Social Services; Environment; Minister responsible for the Yukon Housing Corporation
Hon. Richard Mostyn	Whitehorse West	Minister of Highways and Public Works; the Public Service Commission
Hon. Jeanie Dendys	Mountainview	Minister of Tourism and Culture; Minister responsible for the Workers' Compensation Health and Safety Board; Women's Directorate

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Yukon Liberal Party

Ted Adel	Copperbelt North
Paolo Gallina	Porter Creek Centre
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Yukon Party

Stacey Hassard	Leader of the Official Opposition Pelly-Nisutlin	Scott Kent	Official Opposition House Leader Copperbelt South
Brad Cathers	Lake Laberge	Patti McLeod	Watson Lake
Wade Istchenko	Kluane	Geraldine Van Bibber	Porter Creek North

THIRD PARTY

New Democratic Party

Liz Hanson	Leader of the Third Party Whitehorse Centre
Kate White	Third Party House Leader Takhini-Kopper King

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Yukon Legislative Assembly
Whitehorse, Yukon
Tuesday, March 13, 2018 — 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 remembrance of Alan Archer

Hon. Mr. Pillai: Today I rise on behalf of all members to pay tribute to Alan Archer, a highly respected Yukon geologist who passed away on January 9, at age 84. Al was a leader in mineral exploration and he passionately contributed to Yukon's well-being for decades. Al will also be remembered as a caring family man. He will be greatly missed by his wife of 62 years, Maureen, daughters Kathleen, Susan and Sharon, and eight grandchildren and four great-grandchildren. Family get-togethers were one of the most important and enjoyable parts of Al's well-lived life.

Al graduated with a degree in geological engineering from the University of British Columbia in 1957 and continued in this profession until retiring in 2003. His first job in Yukon was as a mine geologist at the United Keno Hill Mines in the Keno Hill district. Al eventually became the company's chief geologist. The 1960s were a time of major discoveries and high productivity at United Keno Hill, and Al played a key role in those successes. Then the company hired his childhood friend, Bob Cathro, as an exploration geologist, which set the stage for a highly successful future collaboration.

In 1965, Al and Bob struck out on their own and opened the office of Archer, Cathro & Associates Limited in Whitehorse. Al and Bob's commitment to this territory enhanced the lives of many Yukoners for many reasons. They focused on hiring locals and using local suppliers and services whenever possible. Their commitment to local sourcing supported numerous successful businesses and start-ups.

The company developed guidelines to minimize and rectify land disturbances long before this became a standard practice, which benefited our land.

The Yukon government also directly benefited from another Archer Cathro initiative when it purchased a mineral inventory database that the company had begun compiling in 1972. It became the foundation for the behemoth Yukon minfile database of mineral occurrences.

Al's exploration successes highlighted Yukon's incredible mineral potential and attracted hundreds of millions of dollars of investment to our mineral industry. Yukon's economy has benefited significantly from several discoveries by Archer Cathro, including the Casino copper gold deposit,

the Klaza gold silver deposit and the first Carlinstyle gold discoveries outside of Nevada.

In recognition of Al's excellence in prospecting and exploration, in 1998 he received the H.H. "Spud" Huestis Award from the Association of Mineral Exploration. In 2002, the Yukon Prospectors Association recognized Archer Cathro's contribution to their membership by adding the company to its honour role.

Al's and Bob's social conscience was especially apparent in 1994 when they voluntarily forfeited mineral claims in the Tombstone mountains to help advance the creation of the now very popular Tombstone Territorial Park.

Mr. Speaker, there is no doubt that many Yukoners have benefited from Al's dedication to our territory. He will always be highly respected for his mentorship, his discoveries and his dedication to geological understanding. His leadership helped launch the careers of hundreds of aspiring geologists, prospectors, engineers and more. There is no doubt that Alan Archer's spirit will live on forever and I feel great pride in being able to honour his many contributions to our territory.

After retiring, Al continued to enjoy golfing in Whistler and vacationing in Maui. His numerous stories about his adventures as a geologist in Yukon will long be remembered by his family.

In closing, I would also like to acknowledge the value of the ongoing contributions of his colleagues who are here today to also honour Al's remarkable legacy. I thank you for coming today. I will wait until introduction of visitors to identify some of these amazing people who came today to support this tribute.

Speaker: Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Pillai: I would just ask the House to help me welcome a number of individuals. Maybe we could also just get you to stand.

There are some great people who have contributed here: first, Heather Burrell, here with us today from Yukon Chamber of Mines and Archer Cathro; Barbara and Mike Phillips — Mike worked for Archer Cathro for somewhere between 30 and 40 years, up until just a few years ago; Tim Koepke, who is here as well today, supporting the Phillips; and also Stirling Bruce Cairns, who worked on contract as an equipment operator; Don Pilsworth, as well, who worked on contract as an equipment operator; and Wayne Schneider, who is still with Archer Cathro.

Since I am up, another supporter of the minerals sector is here today — Amanda Leslie, who does a tonne of work at supporting the industry.

Applause

Hon. Ms. McPhee: I just wanted to recognize Mr. Koepke. He has already been recognized here with respect to the tribute today, but he is, of course, a former officer of this Legislative Assembly, having held the position

of Ombudsman and Information and Privacy Commissioner. Welcome.

Applause

Mr. Kent: I thank the Minister of Energy, Mines and Resources for acknowledging Amanda Leslie, also my spouse — welcome here today. Also, Mike and Barb Phillips, aside from Mike's involvement with Archer Cathro, are very proud parents of Michelle Phillips, who is currently in the Iditarod, so congratulations to you for having great kids — Ross and Thane as well, but Michelle at this time of year.

Applause

Mr. Gallina: I will take an opportunity to recognize Gerard Tremblay, who has joined us again in the gallery here today. Gerard has taken a keen interest in the Assembly proceedings this Sitting, and he is being supported by Amanda Smith, who is providing interpretive services. Welcome.

Applause

Speaker: Are there any further introductions of visitors?

Are there any returns or documents for tabling?

Are there any reports of committees?

Are there any petitions?

Are there any bills to be introduced?

Are there any notices of motions?

NOTICES OF MOTIONS

Hon. Ms. McPhee: I rise today in the House to give notice of the following motion:

THAT the Yukon Legislative Assembly, pursuant to subsection 17(2) of the *Human Rights Act*, does revoke Geneviève Chabot from the Yukon Human Rights Commission, effective immediately.

I also give notice of the following motion:

THAT the Yukon Legislative Assembly, pursuant to subsection 17(1) of the *Human Rights Act*, does appoint Gavin Gardiner to the Yukon Human Rights Commission for a term of three years, effective immediately; and

THAT Russell Knutson be reappointed to the Yukon Human Rights Commission for a term of three years, effective April 30, 2018.

I also give notice of the following motion:

THAT the Yukon Legislative Assembly, pursuant to subsection 22(2) of the *Human Rights Act*, does appoint Vincent Larochelle to the Yukon Human Rights Panel of Adjudicators for a term of three years, effective May 26, 2018; and

THAT the Yukon Legislative Assembly, pursuant to subsection 22(2.01) of the *Human Rights Act*, does designate Vincent Larochelle as chief adjudicator for a term of three years, effective May 26, 2018.

Ms. Hanson: I rise to give notice of the following motion:

THAT this House urges the government to:

(1) appoint an independent commission to conduct a forensic review of all transactions related to the \$39.2-million loan to the Yukon Development Corporation to build the Whitehorse LNG facility; and

(2) allow for the independent commission to call for witnesses and to have unrestricted access to all government and government corporation financial documents and correspondence regarding the \$39.2-million loan to the Yukon Development Corporation to build the Whitehorse LNG facility.

Speaker: Are there any further notices of motions?

Is there a statement by a minister?

This then brings us to Question Period.

QUESTION PERIOD

Question re: Liquor transportation

Mr. Hassard: For approximately 25 years now, the contract for hauling liquor into the Yukon has gone to a company that barges the product from Vancouver to Skagway and then trucks it into Whitehorse. However, this government has made a decision to change that. They put out a tender that explicitly rules out the ability to continue to barge the product. This year's bid document states — and I will quote: “The purpose of this tender is to choose a reliable supplier of over-the-road freight haul.”

Can the minister explain the rationale for making this change and eliminating the ability for the product to be barged to Skagway and then trucked to Whitehorse?

Hon. Mr. Streicker: I thank the member opposite for that very specific question. I will be happy to talk with the department and come back with a very specific answer. What I do know is that we have put out an RFP for the tender process to provide for the supply of alcohol in the territory. I also know that there are differences with respect to the timing of how things arrive here depending on if they arrive by truck or by barge. I will get a detailed answer and bring it back here as a legislative return and reach out to the member opposite.

Mr. Hassard: The tender has actually closed already. We have heard that this decision could cost the Yukon Liquor Corporation an additional \$500,000 annually. Can the minister please confirm this number to the House?

Hon. Mr. Streicker: No, I am not able to confirm that exact number. I just responded to the member opposite that I will go out and find some more detailed information.

What I can say is that at all times we are working to ensure that we reduce our costs and keep them as low as possible because we care about the revenue that is generated for the territory, and that comes back and deals with things like harm reduction and other issues that we have here in the territory. Of course, we want to keep that cost low. I would be surprised if the member opposite is correct but, please, I will happily find the information for the member opposite and give a response.

Mr. Hassard: We certainly hope that the government would look at ways to decrease spending, but it appears that this time they may actually be doing the opposite.

When the minister returns with that information, and if it is, in fact, an extra expense to the government to do it this way, we would be interested to know if this additional \$500,000 would be absorbed by the Liquor Corporation or would it be passed on to consumers through increased liquor prices?

Hon. Mr. Streicker: Until I get more information, Mr. Speaker, my response will be neither. I am happy to try to get that information.

For a moment, let me just acknowledge the great work that the corporation and the staff have been doing there. They have been working very hard to modernize the *Liquor Act* that is coming before us, I hope, this fall. They have been working hard to work with Health and Social Services and with Justice to legalize cannabis, and they have been doing great work. I think they just had 49 — or maybe it is 50 — visits out to the communities to talk about issues around alcohol — the act. They are also working hard with the local producers to try to come up with a good strategy for them financially. The team is doing great work and I would just like to acknowledge them.

Question re: Access to information and protection of privacy

Mr. Hassard: Yesterday, the Premier told this House that the two previous times he had made statements implying that he knew the identity of ATIPP requesters were just slips of the tongue.

Then I asked the Premier a straightforward question but he did not give a very clear answer. So I am going to give him another chance because this is very important for him to be clear on. Can the Premier tell us whether he or any of his staff have ever spoken to anyone in an attempt to seek the identity of an ATIPP requester? A simple yes or no would be nice.

Hon. Mr. Silver: I was pretty clear that this kind of behaviour would not be permitted. Again, in response to the question yesterday, we were very clear. We do not know who does ATIPP requests and I'm pretty sure I answered the question yesterday. So to answer the very specific question again: No.

Mr. Hassard: We're happy to hear that. Now can the Premier tell us whether anyone in his Cabinet has ever attempted to seek the identity of an ATIPP requester?

Hon. Mr. Silver: Mr. Speaker, if there is a specific allegation from the members opposite, we would love to see it. Again, we work within the rules of ATIPP and that is the way that we conduct ourselves here — open and transparent. Again, if there is a specific allegation coming from the Yukon Party, then please, let's hear it.

Mr. Hassard: Maybe the Premier can explain to us the process in his office with respect to ATIPPs and I'm curious to know if he or any of his staff directly receive updates or any information on the requests that are coming in and out of government as well.

Hon. Mr. Mostyn: I don't know what the member opposite is getting at, but I will tell him that access to information — the protection of our citizens' privacy — is very important to this government. I will repeat that for the member opposite. We, as a caucus, take this responsibility to protect the privacy and to provide timely information to our citizens very seriously. We respect the ATIPP office and the firewalls it employs to protect citizens who use the service. Those firewalls are robust and in place. I thank the Speaker for my opportunity to speak this afternoon.

Question re: Teacher staffing

Ms. White: The Yukon government has had a tumultuous relationship with the Yukon Teachers' Association over the employment status of temporary teachers, educational assistants and aboriginal language teachers since 2011. In that time, over 100 grievances have been filed by the YTA on behalf of temporary employees. That is a lot of grievances, especially for a union that has about 850 members — hardly a glowing example of a respectful workplace and good labour relations. Nine of those grievances recently went to adjudication.

When a decision has been handed down, future administrative decisions should be guided by the decision, but this has not been the case for temporary employees who are still not recognized by this government as permanent after being in a temporary status for two years.

Can the minister explain why temporary employees must continue to file grievances against this Liberal government to get the respect that they deserve?

Hon. Ms. McPhee: I don't actually understand the question or the specifics of the question. Certainly, my knowledge of the temporary teacher situation has been that it has been — I wouldn't use the same words to describe it, but it certainly has been a challenge in that the Yukon Teachers' Association has taken a position that initially was not determined by the government to be in line with the law. The appropriate process is for that to proceed through adjudication and it has done so. The decisions made by those adjudicators will, of course, be respected.

Ms. White: After two years as a temporary employee, according to the *Education Labour Relations Act*, employees are entitled to become permanent employees with all the rights and benefits that flow from that status, and these grievances have been heard by an adjudicator and decisions have been rendered repeatedly in favour of the employees and their union. A July 2017 decision stated — and I quote: "I hope that the parties will be guided in their relations by Board decisions, and I note that it is a waste of scarce resources to relitigate issues settled by adjudication."

Mr. Speaker, temporary employees must continue to file grievances against the department to be recognized as permanent employees. How much time and money has this Liberal government spent fighting these grievances, including the compensation they have been instructed to pay the YTA since the last election?

Hon. Ms. McPhee: I guess I will have to disagree with the characterization that it has repeatedly been determined. To my knowledge there have been two adjudicated decisions — one in 2013 and one more recently last year — that indicate the status with respect to temporary teachers.

I can advise this House that I personally spent time in a previous job where at least 50 to 60 individuals were dealt with after the decision in 2013, and in fact, proceeded to have permanent status following that decision. If there is a specific concern, I hope the member opposite will bring it to me. It is my understanding that we are complying with the decisions that have been made with respect to the adjudication once the law has been clarified.

Ms. White: I have for tabling a summary of decisions rendered by adjudicators and I disagree with the minister.

In the latest decision made under the *Education Labour Relations Act* in February 2018, the adjudicator was very clear — and I quote: “Adjudicators make decisions that the parties should use as guidance in their labour relations, regardless of whether a decision is considered to have no precedential value in terms of the litigation of other grievances. Common sense should prevail.”

Mr. Speaker, when will this minister instruct her department to do the right thing and use these decisions as guidance instead of continuing to treat temporary employees in such a way that they continue to have to grieve their employment status?

Hon. Ms. McPhee: I respectfully will need to respond by indicating that the Government of Yukon has been and will continue to work with the Yukon Teachers’ Association in order to address the concerns regarding the practice of hiring teachers and the transfer of individuals from a temporary status to a permanent status. We want to ensure that the hiring practices are, of course, fair and transparent and, in addition, that we have the best possible teachers in our schools.

We also continue to work with the Yukon Teachers’ Association on a regular basis with respect to the issues around temporary teacher status and the permanent status of individual teachers. I can assure this House that we are complying and will comply in future with the adjudicator’s decisions.

Question re: Cannabis regulation in Yukon

Ms. McLeod: Yesterday, I asked the Minister of Health and Social Services about the \$100,000 for an education and awareness campaign regarding cannabis that is supposed to be in this year’s budget, even though no one can point out exactly where it is. First the minister said “... it’s not limited to \$100,000.” Then the minister said, “With respect to the \$100,000, if there was a clerical error, I would be happy to address that in the main estimates discussion...”

Finally, the minister said, “I can assure the member opposite that it is not going to cost \$100,000.” Mr. Speaker, that was in the course of just one minute. Can the minister provide some clarity around how much money is allocated for this education and awareness campaign? If it’s not limited to

\$100,000; is it not going to cost \$100,000 or is it a \$100,000 clerical error?

Hon. Ms. Frost: I am going to respond by saying that this Liberal government is really concerned about what’s happening with our children in Yukon. We have allocated resources within this existing budget going into the next fiscal year around the health and wellness of all of our children, around family and children’s services, and in education. We have resources for indigenous children in care and we have resources for our mental wellness hubs.

What we are doing is putting resources in the next fiscal budget that are not specifically tied to a small amount of money. It’s tied in a way that allows us to integrate some new programming and new initiatives as we advance cannabis legislation.

We do know that the federal government has also committed resources to build on this capacity, so what we are doing right now is putting in some seed money and we will go forward. I would be happy to provide more details once that becomes available.

Ms. McLeod: As I said yesterday, the government gave us a document that said that there was \$100,000 for an education and awareness campaign. As with many things in this year’s budget, the government can’t point out where that money is accounted for. Can the minister tell us how much is for programming and how much is for the hiring of new employees?

Hon. Ms. Frost: In the budget mains, I will be happy to speak to that. We have allocated one position that is defined as a communications advisor that is all-encompassing. Part of that is education and part of it is communication. That is being defined as we roll out the project.

Ms. McLeod: Of course, when we get to the mains, we will ask a little bit more about that one position and how that relates to programming.

Can the Minister of Health and Social Services point to the page in the budget where we can find the \$100,000 for education and awareness that this government handout from budget day referenced?

Hon. Ms. Frost: I would be happy to respond to that question as we are going through the mains discussions on the 2018-19 budget.

What I want to say in conclusion is that our concern — our major focus — is to ensure that we provide all of the essential services in Yukon, in rural Yukon and in our communities, to ensure that we provide the necessary supports for all of our children.

Right now, we have sufficient resources that have been allocated. Is it sufficient going forward? Perhaps not; perhaps we need to do more. We need to work on resources. We are working with our partners. We are working with our community members. That is defined through our mental wellness hubs. It is defined through our communities. It is defined through our partnership with the Department of Education, through the Women’s Directorate and through Justice. We have huge opportunities to grow our government and also to grow in a way that is not to grow positions but to

grow the resources, capacities, programs and supports that are much needed in Yukon communities. I am really happy to say that we are working with our partners to ensure that this happens and that all of our children are well-informed about the legislation that is about to be implemented in the Yukon.

Question re: Cannabis regulation in Yukon

Mr. Istchenko: Yesterday, the Minister of Community Services indicated that the government is planning on spending \$2.7 million on the purchase of inventory for the start-up of the new government-run retail store for the cannabis corporation. As a line item in the budget for these start-up costs is \$3 million, it would seem that there is only \$300,000 left over for the building, staffing and training. Can the minister confirm whether \$300,000 is enough to cover all of those expenses this year?

Hon. Mr. Streicker: To answer the specific question, the \$300,000 that is remaining is for the start-up costs. It is not for the ongoing costs. Of course, as a corporation, it will generate revenue and it will bring it back. Yes, we are confident that it is enough money to do the training and to be prepared to do the start-up. I will add that our key focus on this file has been to make sure that when cannabis is legalized nationally, Yukoners will have a way to legally purchase cannabis. Our goals have been to: (1) eliminate the illicit trade; and (2) to make sure that we are looking at harm reduction, safety and wellness of our citizens.

I also want to note that while legalized cannabis will remain a controlled substance like alcohol, this means that any cannabis legally sold in the Yukon will come through the government before it is distributed.

Mr. Istchenko: Yesterday, I asked the Minister of Community Services to confirm how many employees the government is hiring to work at the government-run cannabis corporation. The minister responded by saying — and I quote: “The only hires that we are contemplating — sort of full-time equivalents right now — are around enforcement and regulations...” We were surprised to hear this because the government has been clear that they intend on expanding government into the area of distribution, warehousing and retail instead of reducing costs to taxpayers by letting solely the private sector take on these responsibilities.

Is the minister telling us that there will be no one working at the retail store?

Hon. Mr. Streicker: We have said all along that we are planning to develop a hybrid model, which definitely includes the private sector. We have been meeting with folks from the private sector. I’m sure the Minister of Economic Development could get up and talk about it. We have had conversations and we’re happy that the private sector is interested in being involved and we’re happy to have them involved.

What I said yesterday was that, for full-time permanent staff, those would be regulation and enforcement, and what I said was that the number would be under five. We will also have a handful of people — I think that, again, five or under is around the right number — who will deal with retail.

However, what we’re planning to do is to allow for the opportunity for the private sector to take over. We’re not intending to make this a permanent situation, so we’re allowing for the flexibility to allow the private sector to take over doing the business of doing business.

Question re: Fetal alcohol spectrum disorder action plan

Ms. Van Bibber: Fetal alcohol spectrum disorder, or FASD, is a serious condition that affects far too many Yukoners. On May 2 last year, the Minister of Health and Social Services told this House that she was working to develop a 10-year fetal alcohol spectrum disorder action plan. If you go to the Health and Social Services website to the section called “Fetal Alcohol Spectrum Disorder Plan for Yukon”, it says that consultations went until October 31 of last year. It also says that the “what we heard” document will be published on the site by the end of 2017. So far, the “what we heard” document has not been uploaded yet.

Could you minister please share with us the “what we heard” document for the consultation on the FASD action plan?

Hon. Ms. Frost: I do want to say that the commitment to work together — engaging with the public, our community agencies and other governments to better understand fetal alcohol spectrum disorder that impacts all of our communities.

We heard yesterday from the Minister of Justice that we are looking at all of our legislation to ensure that we provide the necessary supports, and we did engage with nine communities between May and November 2017, and the 10-year FASD action plan will be completed by spring 2018. I would be happy to share that once it is completed.

Ms. Van Bibber: As you know, the Liberal government has just tabled their second budget. FASD is an important area where government can help in prevention, assessment, diagnosis and support for individuals and families affected.

We didn’t see any money in this year’s budget for the 10-year fetal alcohol plan. Can the minister confirm if there is any money in this year’s budget for that action plan?

Hon. Ms. Frost: We are always putting resources in all of our budgets. We have family and children’s services — we have our department that provides supports to all Yukon citizens.

The objective of the 10-year action plan strategy is really to identify where the needs lie and provide the resources to our communities. We did invest \$500,000 to support the key priorities identified by the inter-agency committee.

Ms. Van Bibber: The minister stated that the upload would be spring of this year and is spring now. Could the minister tell us what year the government will be starting once the spring report is filed?

Hon. Ms. Frost: That action has already been in effect. We are doing a lot already and we continue to build on that as we move into the new fiscal year.

Question re: Marwell tar pit remediation

Ms. Hanson: Mr. Speaker, over the last few weeks, we have seen the spectacle of the Yukon Liberal Party using ministerial statements to make PR announcements and then we get into a “he said, he said” between the Liberals and the Yukon Party. This morning, there was supposed to have been one on the Marwell tar pits that was cancelled at the last moment, but my curiosity was piqued because the Premier has made several assertions over the last week or so in this House that work that was to be done under the June 29, 2010 agreement between Canada and Yukon to clean up the Marwell tar pit has not been done. According to the Government of Canada website, it was a \$6.8-million agreement; the Government of Canada paid \$4.758 million and Yukon, the balance. This was an 11-year agreement in 2010.

Is the Premier saying that the Yukon Party misled the Yukon Legislative Assembly, the Government of Canada, the Ta’an Kwäch’än Council and the general public?

Hon. Ms. Frost: The Department of Environment has been taking a lead role in this file and is actively pursuing remediation of the Marwell tar pit. A contract for the remediation work valued at \$4 million has been awarded to Milestone Environmental Contracting Inc., so we are proceeding with that work.

Ms. Hanson: I am asking the Premier and the Minister of Finance to explain to this Legislative Assembly the assertions he made in this Legislative Assembly that the Government of Yukon has not done the work pursuant to the agreement between Canada and Yukon with respect to the Marwell tar pit cleanup.

This is a project that has significance to many Yukoners, in particular the Ta’an Kwäch’än Council, and it was a surprise to not hear once, but several times, from the Finance minister that this work has not been done. I am looking for a status update from the minister and the Premier.

Hon. Ms. Frost: I’m happy to say that we are pursuing the remediation of the Marwell tar pit. Historically, sure — it has been on the books for a while. Last year, we allocated a small amount of money to do the assessment and proceed with full-on remediation. We intend to do that this coming spring.

We have now assigned the project to a specialized firm to do that work and we will work with our community partners. In this case, we will work with the local First Nations in ensuring that is done very effectively and to ensure that the remediation work is brought back to the original state that it was found in before the contamination happened.

Ms. Hanson: Well, good luck on remediating it to a state like before, but we do know that there has been some really good work done by some officials and in partnership within the community to both identify and get work done on the Marwell tar pit.

What is of concern to me as a Member of the Legislative Assembly is to have the Minister of Finance assert that, as we’ve gone through the approvals for the budgets over the last six years with respect to this particular line item — we’ve been told by the Minister of Finance that the money was not

expended for that purpose. I have asked the Minister of Finance to explain his comments in this Legislative Assembly.

Hon. Mr. Silver: I think I was very succinct and clear in my message to the Legislative Assembly. I explained exactly when the money was allocated and the fact that we’re getting that work done now.

I do want to speak about the member opposite’s statements about ministerial statements. Mr. Speaker, we are using ministerial statements for exactly their intended purpose: to get the message out there for new projects. We believe that this is an under-utilized part of the Legislative Assembly. So it’s pretty rich for the member opposite, who has other areas of the Legislative Assembly that she wants to see expanded, to not want to see ministerial statements being part of the daily debate here in the Legislative Assembly.

So we were clear and succinct in our messaging about when the money was allocated. The member opposite heard our statements very clearly and we were very clear in our commitment to getting that work done because it’s extremely important work.

Speaker: The time for Question Period has now elapsed.

Notice of opposition private members’ business

Mr. Kent: Pursuant to Standing Order 14.2(3), I would like to identify the items standing in the name of the Official Opposition to be called on Wednesday, March 14, 2018. They are Motion No. 251, standing in the name of the Member for Kluane, and Motion No. 45, standing in the name of the Member for Watson Lake.

Ms. White: Pursuant to Standing Order 14.2(3), I would like to identify the item standing in the name of the Third Party to be called on Wednesday, March 14, 2018. It is Motion No. 252, standing in the name of the Member for Whitehorse Centre.

Speaker: We will now proceed to Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 205: *Interim Supply Appropriation Act 2018-19* — Second Reading

Clerk: Second reading, Bill No. 205, standing in the name of the Hon. Mr. Silver.

Hon. Mr. Silver: I move that Bill No. 205, entitled *Interim Supply Appropriation Act 2018-19*, be now read a second time.

Speaker: It has been moved by the Hon. Premier that Bill No. 205, entitled *Interim Supply Appropriation Act 2018-19*, be now read a second time.

Hon. Mr. Silver: I will be pretty succinct to my messaging here in my second reading. The *Interim Supply Appropriation Act 2018-19* is a very straightforward bill, as members on both sides of the House know. It provides for

spending authority for the first month of the fiscal year in order to deliver public services that Yukoners rely on.

The total value of this interim supply appropriation act is approximately \$213.7 million. This includes \$178.2 million in operation and maintenance spending. There is approximately \$35.5 million in capital spending. These amounts will ensure the government can meet immediate priorities as members of this Assembly complete debate on spending authority for the upcoming year.

The bill is designed to cover expenditures of government departments for one month of the upcoming year — in other words, generally one-twelfth of personnel and one-twelfth of non-personnel costs. It also includes commitments that will require transfers in the first quarter of the year.

The bill seeks authority to spend \$22.2 million in April specifically on grants. The largest of these is the comprehensive municipal grants. In keeping with past practices, municipal governments receive their annual grants as of April 1. This year, these grants total \$18.9 million.

In addition, the interim supply bill includes funding to meet contractual obligations and contributions to public institutions and for non-government organizations as well.

As honourable members are aware, the funds provided for this interim supply bill are included in the main estimates, which will be fully debated in this House as well. This bill simply ensures the spending authority is in place for April. This in turn will ensure health care facilities, long-term care homes, schools and other public services will have the resources they need to operate efficiently.

With this, Mr. Speaker, I will conclude my remarks.

Mr. Cathers: As Official Opposition Finance critic, I am pleased to rise to debate the interim supply bill.

I would note that we don't have a problem with the general principle of the use of interim supply appropriation acts. They are certainly preferable to the use of special warrants, about which I would just note that unfortunately this is another area where we haven't seen much detail in terms of a government that talks a lot about accountability, but has actually removed information from the budget. In the case of interim supply, we haven't been given a briefing on the contents of the bill so we're not clear on exactly which items are included within the interim supply bill.

That being said, we're not going to spend a lot of time in debate trying to delay this bill. We would rather get into debate on the main appropriation act itself, but would ask the Premier now or in Committee to provide more disclosure on the projects that are being contained within the *Interim Supply Appropriation Act 2018-19*, including the capital projects, and I would point out as I did before that, through the reduction of the budget highlights from 11 pages during the last year that the Yukon Party was in office down to the four pages contained within the budget highlights this year, there are some areas that have only been described in very general detail.

We see a total list of 36 projects and project groupings that are identified in the highlights. We have yet to see a

breakdown on items such as \$22.7 million in roadwork, \$19.9 million in transportation-related work, the money for bridge replacements and repairs. We have yet to see the breakdown on cleanup — \$11.1 million allocated for cleaning up contaminated sites, \$11.7 million in energy retrofits and —

Some Hon. Member: (Inaudible)

Point of order

Speaker: The Government House Leader, on a point of order.

Hon. Ms. McPhee: I am wondering if the member opposite could make his comments in relation to the interim supply bill. I understand him to be speaking about the mains, which we hope to get to later today.

Speaker's ruling

Speaker: It would seem to me that it would be difficult to differentiate between the two, because you could be spending interim supply money in the first month of the year, I suppose.

The Member for Lake Laberge can continue.

Mr. Cathers: I would just note that one of the reasons that I am forced to rely on the budget highlights is that we haven't been given a briefing on the contents of the interim supply bill or a breakdown on which items from the budget itself are included in interim supply and which items are not. That is my point here.

The Government House Leader takes issue with me speaking in general to the items highlighted in the budget, but we don't see items highlighted in the interim supply and we are not clear which of those items from the budget are included in the interim supply and which are not. Had the government provided a briefing or provided more detail in relation to the items in interim supply, I would be in a position, as Official Opposition Finance critic, to speak in more detail and more specifically to the items contained within interim supply.

I will just wrap up my remarks in noting that this is part of a practice of government providing less detail to the opposition, less detail in the budget — including removing 77 pages of the budget compared to the last fiscal year under the previous government. That includes stripping out the details of project and operational activities, by department, that were previously included in the highlights. That includes the fact that, even within the capital budget, we still have a lack of clarity and a lack of disclosure from this government around projects both large and small. We are not able to talk to our constituents about whether road projects and other priorities that they have asked us about, and that we have brought forward to government, are included within either interim supply or the main budget because we simply have not received that information from government.

With that, Mr. Speaker, I would note that this is just a concerning trend that began shortly after government took office with spending \$456 million in special warrants, bypassing the Legislative Assembly entirely, and, in this case,

in interim supply, we are being asked to effectively sign off on a blank cheque without knowing the contents of the interim supply bill. We don't want to hold up the contracting of projects and be blamed by government for that. I would just note in wrapping up my remarks that we would appreciate a breakdown of the capital projects contained within interim supply and within the budget itself.

Government has restricted much of this down to nice-sounding narratives but Yukoners expect budgets to provide details about the government's financial situation — not to just be about narratives. In speaking to the budget and interim supply, we will continue to — once we are given the information — make suggestions for improvement when we see it, such as my colleagues and I have made in suggesting to the government that they could stay out of the retail and distribution of cannabis and save \$2.7 million of taxpayers' money that they currently plan to spend on inventory.

We have expressed concern about the overall growth of government which, with the increases last year in the number of government employees and the increases for this year collectively, total some 482 new government positions — not counting new positions that the minister apparently plans to add at the new cannabis corporation. That, overall — for a government that has talked about restraining the growth of government — is, in fact, increasing the size of the government payroll by over 10 percent. I would point out that the vast majority of those have nothing to do with continuing care. In fact, out of that total, based on the information provided by government, only 103 are related to the Whistle Bend continuing care facility.

With that, Mr. Speaker, I will close my remarks and ask the Premier, either now or in Committee of the Whole and the supplementary budget, to provide us with some more detail on what capital projects and grants are included within the *Interim Supply Appropriation Act 2018-19*.

Ms. Hanson: Just in response to Bill No. 205, *Interim Supply Appropriation Act 2018-19*, it is simple and clear enough, as the Finance minister has indicated. It is reporting the requirements for public monies required to fund the operation of government until we, as a House, actually debate and vote on the budget, which we anticipate will be done by the third week of April.

We commend the government for actually having the budget debate substantively complete prior to the beginning of a fiscal year. I suppose, as a House, and as Members of this Legislative Assembly, we could be giving consideration to actually having our fixed sitting dates so that there is no need for interim supply and we actually consider and vote on budgets in advance of April 1, but that is not what we're doing here today. We are simply giving consideration of requirements for money that is already out of the door and performing the job that it is supposed to be doing.

With that, that's it.

Speaker: If the member now speaks, he will close debate.

Does any other member wish to be heard on second reading of Bill No. 205?

Hon. Mr. Silver: Thank you very much, Mr. Speaker and thanks for the comments from the Leader of the Third Party. I will address some of the interesting comments from the Member for Lake Laberge.

In the past, the Yukon Party may or may not have given interim supply briefings. I don't think it was something they offered on a regular basis, and if it is something that the member opposite would like to have, we could absolutely give a briefing before the interim supply.

But the member opposite knows exactly what the money is for, as outlined by the Leader of the Third Party. So to get up and to start talking about budget highlights and all of the speaking points again at this opportunity, as opposed to getting down to the business of asking questions of the Legislative Assembly — it's just an interesting tack.

Of course, he knows that during Committee of the Whole, we can absolutely give them a breakdown of every single dollar spent — the amounts for the capital projects that are out the door. That's what we do in Committee of the Whole.

But we're sensing a narrative here. Before we get into Committee of the Whole, the Yukon Party is saying, "We're not getting any information." If the Yukon Party would like a briefing on the interim supply bill — sure, we'll give you a briefing on the interim supply bill. I don't recall the Yukon Party offering that up in the past. I could be wrong, but I don't think that it was a thing that they offered on a regular basis.

Mr. Speaker, thank you very much for the opportunity to get this to second reading. I'm looking forward to getting into Committee of the Whole so we can discuss the monies that are allocated in the interim supply and that are also part of the main budget so that we can have further debate about those items.

Motion for second reading of Bill No. 205 agreed to

Hon. Ms. McPhee: 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 (Mr. Hutton): Committee of the Whole will now come to order. The matter before the Committee is general debate on Bill No. 205, entitled *Interim Supply Appropriation Act 2018-19*.

Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 205: *Interim Supply Appropriation Act 2018-19*

Chair: The matter before the Committee is general debate on Bill No. 205, entitled *Interim Supply Appropriation Act 2018-19*.

Hon. Mr. Silver: I am happy to be joined here by my Deputy Minister of Finance, Katherine White. I don't have a lot of stuff here. We will get into the questions from the members opposite but, as we indicated in the second reading, this interim supply bill will be the spending authority for April to meet the costs associated with providing public service to Yukoners. The bill will authorize approximately \$213.7 million in spending. This includes \$178.2 million in operation and maintenance spending. There is approximately \$35.5 million in capital spending. These amounts will ensure that the government can meet immediate priorities while members of this House debate the full year of spending authority as discussed in the second reading. In general, the spending authority will cover one-twelfth of personnel and non-personnel costs. This will ensure that health care facilities, long-term care homes, schools and other public services have the resources to operate efficiently.

However, members will, as I mentioned before, once again note that the total value of this interim supply appropriation makes up more than one-twelfth of the annual spending. In the interest of transparency, I would like to outline why it is not just one-twelfth of the mains budget.

In operation and maintenance costs, they are \$79.1 million higher than the one-twelfth figure that I am talking about. What is the breakdown of that number? This additional spending authority includes the Yukon's comprehensive municipal grant. That is worth \$19 million. Spending on legislative grants is authorized solely by the Legislature. In total, this bill seeks authority to direct just over \$22 million toward grants in the month of April. Other grants require spending authority to start at the start of the fiscal year, beside the municipal grant, and those include: student grants, adoption subsidies, childcare subsidies, social assistance, Yukon seniors income statements, and medical travel subsidies as well.

The bill provides \$28 million for Yukon Hospital Corporation and \$6.8 million for Yukon College as part of the government's annual contributions to these public institutions. A number of other contributions are paid in quarterly installments with the first-quarter payments being due in April. Non-governmental organizations depend on these payments to continue their operations without interruption.

In capital spending, this interim supply bill is also higher than one-twelfth of the annual vote by almost \$12.2 million. This covers large construction projects where the full project value must be committed to before the summer construction

season. It also covers construction of infrastructure already in progress. Approval of this interim supply bill will allow the House to move forward in debating annual spending plans. As honourable members in the House are aware, the funding contained in the interim supply bill is in the main estimates as discussed in second reading of this bill. It simply puts the funding in place for April. This will allow for the continued operations of many public services and for meeting contractual obligations and requirements to the public organizations.

I look forward to approving this bill and to getting back to a full and thorough debate of the main estimates for this upcoming year.

Mr. Cathers: As I indicated in my speech at second reading, this is an area where we haven't seen yet a breakdown of the capital projects, and we didn't — during the 15-minute interlude between second reading and the start of this — receive a briefing either, just as we had not before.

I will not hold the Premier to his specific commitment in second reading to disclose every dollar of the interim supply, but a listing of which capital projects are covered in this interim supply bill would be appreciated — at least major projects. I'm not talking about getting down to the new coat of paint on one wall of one room, but the list of major capital projects covered within the interim supply bill would be appreciated.

Hon. Mr. Silver: I guess the member opposite expected a briefing in the 15 minutes before this Committee of the Whole. When I asked him off-mic if they wanted a briefing, I didn't get a yes or no; I got a laugh. Again, I'll put that offer out. If the member opposite needs or desires an interim supply briefing for next year then we would happily provide that briefing. Again, I didn't get a "Yes, we want that for the 15 minutes in between." I'm not sure if he was just joking with that statement or not — but just to clear the record.

As we take a look at the capital projects that are in the interim supply, it would come as no surprise that this list is the seasonally dependent projects. Again, our government is very committed to helping the vendors by providing more certainty when they are planning their schedules for that upcoming seasonal work and we have been tendering major seasonally dependent projects earlier in the year. About \$8-million worth of projects of medium scope have been put on the tender forecast that will be tendered earlier than ever before. The data for 2013 to 2016 shows an average of about 18 seasonally dependent contracts tendered, worth an average of about \$27 million, posted before April 1 and, on average, 34 tenders were posted after April 1, worth about \$81 million. In 2017, we posted eight tenders, as well, worth \$19 million before April and 41 tenders worth \$50 million after April 1. However, in 2018, we have already posted 12 tenders worth \$9 million and expect to tender 36 more before the end of March, worth approximately \$42 million, for a total of \$51 million. We are expecting to post 16 tenders after April 1 worth \$16 million.

Our main goal is to tender at the right time and not necessarily before a certain date, such as March 31; however,

March 31 can be used as a benchmark for tracking earlier tenders, as I have just done.

Again, early tendering is allowing those contractors to make maximum advantage of the full construction season and the result is a significantly increased number of dollars that are tendered earlier and therefore more money on this list.

Also, there was \$8 million in this interim supply as well, other than the seasonally dependent contracts for the Whistle Bend continuing care facility, that are listed in here as well.

I do have a breakdown particular to departments. It would take us all day to go through every single line item — the member opposite is correct — but again, we can take a look at the five-year capital plan and take a look at the seasonal contracts there. We will be funding all of the capital plans listed in the five-year capital plan, page 3 — the list of everything from air tanker bases for Southern Lakes fire station all the way down to the morgue and coroner's office in Whitehorse.

Again, the seasonally dependent contracts are part of the interim supply bill. We have a breakdown — even down to \$1,000 for the Elections Office as a capital vote or the Legislative Assembly Office for \$3,000. We don't want to necessarily go into the big specifics of that, but I will say for Economic Development, specifically, we have \$1.6 million — almost \$1.7 million — in the interim supply bill, which is more than one-twelfth of the main estimates. Of course, that would be money for the diverse fibre contract, which is just under \$1 million to be paid in April, including payments or commitments totalling just under \$500,000 for contribution agreements.

Education would be more than the one-twelfth of the mains, at under \$3.9 million, and of course, this is to accommodate the tendering of the various maintenance repairs projects — \$2.6 million for that — and also for purchasing school-based equipment and information technology at about \$1 million.

Again, as the member goes through the numbers, Health and Social Services is quite a substantial amount of money, more than just the one-twelfth. It is at \$10.6 million. Of course, Whistle Bend would be taking up the lion's share of that — \$8 million for Whistle Bend.

I will leave it there, Mr. Chair. If the member opposite has any specific questions, we can go from there.

Mr. Cathers: I appreciate the information provided. It appears that the Premier thought I was joking; I thought the Premier was joking when he offered a briefing since this was scheduled for debate this afternoon.

In the interest of expediting debate, I understand, as well, that the officials supporting the Premier may not have all of this information at their fingertips.

We don't want to delay projects proceeding or getting out of the door in debate, but if the Premier does have more information on his desk right now, or on an iPad, related to some of the higher level capital projects that are included within this list in interim supply, that would be appreciated. If he has a more fulsome list that he wants to take time to read, we would be happy to have him table that or send it over for

information purposes. We are just interested in getting information so that we can both fulfill our role on behalf of Yukoners in critiquing the budget as well as sharing information with constituents and other members of the public who are interested in knowing what their government is planning on doing with their money this fiscal year.

Hon. Mr. Silver: The member opposite has had briefings in all departments about all of the spending, and we will say again that this interim supply, as he knows, is one-twelfth of that. The member opposite had opportunities in every single department to ask more specific questions about the money offered and either chose to, or chose to not — I'm not sure. I will look into the questions that the member opposite asked specifically in these briefings. If the member opposite needs a further briefing on the one-twelfth compared to the overall budget, we will provide that. We will, I guess, have to switch gears here to do so. But again, the members opposite, when they were in government, never did that.

We just showed that the major highlights — and the reasoning why there are certain departments that have more than one-twelfth — gave that information, and then I hear the member opposite say that he doesn't think that my members from the department have enough information for him.

So I will take the criticism on myself, please — but there is a whole Department of Finance here ready for his questions, Mr. Chair.

We broke down the projects that are giving more money to certain departments than just a one-twelfth breakdown. Every department has had briefings on all of the major projects. I'm not really sure necessarily what else he is looking for, Mr. Chair, but we have been very forthright with information.

I will leave it up to him to ask another specific question and I will give him a specific answer.

Mr. Cathers: Actually, the Premier is mistaken. We have not had all the briefings on departments yet and have not had the opportunity to ask those questions. Also, in some of the departments, we have asked some questions that we are waiting for information and response to.

I want to make it clear — as I think any officials and other Yukoners know that when the Premier is attempting to claim that I am blaming officials in some way, simply acknowledging the fact that officials may only have so much information immediately at their fingertips and that it does sometimes take some time to provide information and responses to our requests if it is a level of detail or a specific question that the officials have not anticipated. We appreciate that work and do appreciate the information and answers provided by officials at the briefings we have had.

If the Premier doesn't have more information that he is willing to provide this afternoon, I am not going to spend a lot of time in interim supply debating this. We do want to see especially those seasonally dependent projects actually get out the door and get tendered. The Premier, in listing a number of projects — that doesn't list the projects. It does not provide us with a great level of detail in those areas.

I would also note that, in terms of interim supply, while we would appreciate a briefing in future years at this point in time, we don't want to see interim supply delayed and having a negative effect on contracts. As the Premier probably knows, we are not going to get into proposing amendments to the interim supply bill in this current fiscal year, but we are asking for information.

If the Premier is willing to schedule a briefing for interim supply and add it to this before it comes for third reading before the Assembly, I would certainly be happy to participate in that and receive the information. Even if it is after substantive debate has occurred on this legislation, it does provide us with useful information to share with constituents about what will happen during the month of April if the interim supply is approved, which I assume will occur, since the government has a majority here in this Legislative Assembly.

With that, Mr. Chair, I would just close my remarks by thanking officials, both here and listening, for the work that they have done in sharing information with us so far. I would ask the Premier to provide us with more information about the capital projects, either when he stands or through sending the information over or scheduling a briefing on interim supply.

Hon. Mr. Silver: There wasn't a question until the very end. Again, I will ask the member opposite to clarify. For explanation reasons, when we get to Committee of the Whole debate in all of the departments, we will have that conversation about all of the capital projects, line by line and all of that.

Interim supply, for each month, is going to be one-twelfth of that. There is the opportunity to do a breakdown of those specific projects. I have outlined for the member opposite here the anomalies, whether they are municipal grants or other amounts. I am not sure what other information he is looking for.

If I can, I'll ask the member opposite to get to his feet and ask a very specific question. Other than the pieces that I have just outlined, which are larger than the month-per-month allotment of the finances from the mains, is there a specific area of concern for his constituents that he is looking for? Is there a specific department or amount?

He has these numbers for the breakdown in front of him as far as the April 17 interim supply and how those dollars match up to the mains. If he has a specific question, I think I just outlined and highlighted all of those for the member opposite, but if he has another specific question on those dollar values, we would love to have that conversation.

Mr. Cathers: To be clear, I'm primarily asking for information about the capital included in interim supply because, as the Premier will know, some of those capital projects included within the budget — specifically the ones that he is speaking to — will be authorized to go out for tender soon. Those are a list of capital projects. It's not every capital project contained within the budget. It's a list of what those priority projects are that are happening in the first month of the fiscal year.

Again, if the Premier has that information now, I would be happy to hear him read it into the record. If he wants to send that information over as a legislative return or a tabled document, I would be happy to receive it that way. If a briefing would be a more convenient way to share this information, I would be happy to receive that information through that way as well.

I think that has addressed the questions.

Hon. Mr. Silver: Again, I don't think that we need a legislative return when I have already answered the member opposite's question. I will read it again, but I'm at a loss here as to what specific breakdown the member opposite is looking for. I will do a couple more examples here again.

We have shown through briefings that Education is going to be spending \$182 million — almost \$183 million. If you took the breakdown and took that into one-twelfth-per-month dollar values, the numbers don't add up because there is more money in the interim supply bill than that allotment of money.

The reason for that — and I can go through all of these. We gave him that information already. I guess I'm just at a loss and we're not sure exactly what specific breakdown the member opposite is looking for, other than information that I've already given.

But I'll tell you what: We will re-establish the information that was given here in a legislative return for the member opposite and, if there is anything else missing, then I'm sure we will hear from the member opposite. But again, I think we have already been very clear. We could probably go through this list but I think we're good.

Mr. Cathers: I'm going to wrap up my comments. I don't want to spend too much time here this afternoon on this particular item. I thought I had been quite clear and specific. We're just asking about which capital projects were included in the interim supply. I encourage the Premier to review the Blues and take him at his undertaking that he will provide a legislative return in the interest of expediting debate and moving on to other items this afternoon.

Hon. Mr. Silver: I have answered the question. One-twelfth of all of those capital projects that we have discussed already and that will be discussed in the mains — and also the seasonally tendered contracts, and we have read into Hansard what those contracts are. I'm really still not sure what other information the member opposite is looking for. We will give him the return.

Chair: Is there any further general debate on Bill No. 205?

Seeing none, we will proceed to clause-by-clause reading of the bill.

On Operation and Maintenance Expenditures

Total Operation and Maintenance Expenditures in the amount of \$178,228,000

On Capital Expenditures

Capital Expenditures in the amount of \$35,543,000 agreed to

Total Expenditures in the amount of \$213,771,000 agreed to

On Clause 1

*Clause 1 agreed to
On Schedule A
Schedule A agreed to
On Schedule B
Schedule B agreed to
On Clause 2
Clause 2 agreed to
On Title
Title agreed to*

Hon. Mr. Silver: Mr. Chair, I move that you report Bill No. 205, entitled *Interim Supply Appropriation Act 2018-19*, without amendment.

Chair: It has been moved by Mr. Silver that the Chair report Bill No. 205, entitled *Interim Supply Appropriation Act 2018-19*, without amendment.

Motion agreed to

Chair: The matter before the Committee is continuing general debate on Bill No. 206, entitled *First Appropriation Act 2018-19*.

Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

Deputy Chair (Mr. Adel): Order, please. Committee of the Whole will now come to order.

Bill No. 206: *First Appropriation Act 2018-19* — continued

Deputy Chair: The matter before the Committee is continuing general debate on Bill No. 206, entitled *First Appropriation Act 2018-19*. The Chair recognizes Mr. Cathers, with 19 minutes and 55 seconds remaining.

Mr. Cathers: I am actually just going to start off, since I had left off with some questions and the Premier had risen very briefly at the end of yesterday, and then I rose to report progress. I am just going to turn it back to the Premier first to give him an opportunity to respond to the questions that I had last posed.

Hon. Mr. Silver: Thanks to the member opposite for the opportunity to answer the questions from yesterday. Question 1, I believe, was asking if I can clarify the correct number of additional FTEs. As we were doing a running total the other day, there was maybe a discrepancy in the calculations.

There are 186 FTEs for the Whistle Bend continuing care facility, home care and the Thomson Centre. This is made up of 157 for Whistle Bend continuing care, 10 for home care and 16 for the Thomson Centre. That is the breakdown. This adds up to 183 FTEs from Health and Social Services for these items. Then there are also three FTEs from Highways and Public Works, which is for operation and maintenance.

The 187.4-FTE figure represents a total increase to FTEs within Health and Social Services. This includes the 183 FTEs mentioned, as well as a security guard, a sexualized assault team coordinator, a cannabis communications officer and a social marketing analyst.

Question 2 asked yesterday was roughly: Are you able to provide the supplementary information with respect to major capital assets by community that was historically shared with members of the opposition and the Third Party? The members can turn their attention to the five-year capital plan. Not only are development projects and locations listed for 2018-19, but also for four years past that in the plan.

We were asked how far growth will go in the Department of Finance, across the rest of government — and those types of questions. The Department of Finance has planned growth to meet the operational requirements for 2019, for 2020, after which no further staff is planned as things currently stand.

The Department of Finance had 83 FTEs in 2017-18 and then, in 2018-19, an additional six FTEs will join the department, and in 2019-20, three additional FTEs will complete that staffing plan. Across government, staffing will increase by 242 FTEs in 2018-19.

I already mentioned, Mr. Deputy Chair, that the 184.4 is for Health and Social Services, while 29 will be for teachers and educational assistants for the Department of Education, and then the balance is spread across multiple other departments, but that would be the lion's share of those numbers.

There was another question about — in the performance plan, the question was that government seemed to be taking one option from YFAB in reviewing fees, fines and government service. Is the government considering the options of increasing fees for continuing care? Are they looking at co-op payments? What is the government planning on doing?

Specific to the fees question from the members opposite — I do want to thank the member opposite for his question based upon the work of the Financial Advisory Panel — what we are doing is looking at increasing the efficiencies and the effectiveness of delivering services to Yukoners, first and foremost. In their comments to the Yukon Financial Advisory Panel, Yukoners preferred us to focus on ensuring that the government is spending money in the most effective and most efficient way as possible to meet the needs of Yukoners.

Our government is responding by looking at ways to ensure that the services provide greater value for the money spent. It will look not just at what we do but how we do it and how we can do things better. In the review of health care that was done by the previous government — here is a great example — a decade ago, there was a look at how much it cost the government to deliver services, and the previous government acted on some of those recommendations and increased some fees. We are going through a similar process when we do the reviews, and that review is ongoing. It was referenced by the performance plans released last week.

In regard to fees and fines in the performance plans, which are available online — and I am quoting from that:

“Reviewing our fees, fines and goods and services to consider increasing revenue to support better programs and services”. That review is ongoing.

I believe that’s a summary of the questions asked from the member opposite and I look forward to more conversations and more debate.

Mr. Cathers: I thank the Premier for the information. With regard to fees, I didn’t really get a clear answer of whether there were certain areas that are off the table or whether government is not contemplating that or whether everything is open or whether the government has given clear direction to departments — or at this point gone with more of a scattershot approach of, say, coming back with a list of all the fees and fines you could potentially raise in the area across government. We’re looking for clarification on that because as soon as people do hear about fees and fines going up — especially fees — it does concern Yukoners, particularly those who are not wealthy, when the cost of living, cost of accessing government services and so on may be rising. That information would be appreciated.

I have a couple of other questions for the Premier. Those include: What is the current status of vacancies across government in terms of full-time equivalent positions that are currently vacant.

Hon. Mr. Silver: When it comes to the approach, again, our approach is to focus in on the efficiencies and effectiveness of our programs and services and make sure that we can act up front quickly to make sure our programs and services do not get affected. The direction has been clear to the departments as they look for those efficiencies to also look at things like fines as well. It takes a look at how we are collecting fines and what those rates are compared to other jurisdictions in Canada. That’s an important piece of this efficiencies piece of the Financial Advisory Panel’s recommendations.

I have to be clear at this point as well though: This exercise isn’t an exercise in trying to raise more revenues for the Yukon government. It’s not. It’s more about finding those efficiencies, but also finding the effectiveness of our services. When you’re talking about the effectiveness of services, we do need to take into consideration the fines — the rates at which the fines are currently and where they should be in relation to other jurisdictions.

The other question that was given was as far as the vacancies — I just asked my minister responsible to get that information for the member opposite.

Mr. Cathers: I appreciate the Premier’s undertaking to have the Minister responsible for the Public Service Commission provide that information.

With regard to the Ross River staking ban that is currently in place, I understand that the government is committed to discussions aimed at resolving that. Can the Premier confirm which department is the lead on this work? Is it the Executive Council Office? Would it be Energy, Mines and Resources? Which minister should we be asking questions related to that current work?

Hon. Mr. Silver: I appreciate the question from the member opposite, Mr. Deputy Chair.

We are continuing to work with the Ross River Dena Council to bring positive outcomes to their community and we’re working together on areas including housing, infrastructure, capacity development and resource development. We are taking a whole-of-government approach to these issues. Specific to — as far as the lead, again, this is a whole-of-government approach. We continue to work with the Ross River Dena Council to address the 2012 court declarations, if that is what the member is referring to, and we will work to address these concerns in relation to wildlife management and conservation. Again, there is a lot going on within that conversation.

As far as a lead department, he had asked for something more specific in the question. If we want to talk about implementation of the 2012 court declarations from the Ross River mining case, I can comment about that from my department — through the Executive Council Office. We recently extended the mineral staking prohibitions in that Ross River area for an additional 18 months, so that is now to July 31, 2019, to allow for additional time for consultation and for negotiations with the Ross River Dena Council.

We have committed to working with the Ross River Dena Council — Chief Caesar — to find a solution that fulfills the Government of Yukon’s consultation obligations. That is a solution also that is respectful of other First Nations and engages with the Ross River Dena Council as partners in mineral exploration and in development, and we have seen lots of progress in those dialogues. It is a good opportunity for me to thank the leadership of Chief Caesar for all the work that he has done for his community.

We’re also very much committed to working in partnership with First Nations and industry to facilitate economic development that will bring tangible benefits to Yukoners.

As far as hunting litigation, if that is where the member opposite is going, we’re pleased that Ross River Dena Council placed its litigation in abeyance in the interest of advancing our government-to-government relationships. That’s a really important piece as we work with the Ross River Dena Council to address some outstanding concerns.

I’ll leave it at that. If the member has anything else specific, other than the implementation of the court case in 2012 or the hunting litigation, I can answer specific questions to that, or if he has any questions for my ministers, then I can make them available as well.

Mr. Cathers: I appreciate the answer.

Looking at the budget for this current fiscal year compared to the projections for last year, we see that last year the Premier projected a deficit of, I believe, over \$48 million for this fiscal year. I am just going to double-check my notes on that. According to my notes, last year’s budget anticipated a deficit of \$48.9 million for this fiscal year, and the current deficit is \$4.5 million. Can the Premier explain what he ascribes that big reduction in the projected deficit to?

Hon. Mr. Silver: I am sorry, Mr. Deputy Chair. I did not hear the very last sentence. Can the member just repeat that very last sentence?

Mr. Cathers: I will just rephrase that last sentence to make it a little clearer. We see a change in what the government had projected would be the deficit this fiscal year — so a year ago, what they tabled as their projections for the forecasted deficit in the 2018-19 fiscal year. That has now been reduced from, I believe, \$48.9 million to the currently tabled budget of \$4.5 million. Can the Premier explain the change?

Hon. Mr. Silver: We have had this question brought up a couple of times in the Legislative Assembly. We have answered it based upon the working — and again, I have given shout-outs to the departments about evidence-based decision-making, finding efficiencies and effectiveness in programming and working with the new Yukon Liberal government and the public servants to come at how we can find those efficiencies and effectiveness. I am going to keep my comments based upon what we are doing inside Finance, but this is a question that could be asked of every single department as we get into Committee of the Whole. I am going to keep it to Finance for now to say what we are doing, but this is mimicked with each department getting out there and asking: How can we provide programs and services better and more efficiently?

In a tight fiscal environment, it becomes increasingly more important that the government makes policy and program choices that are based on evidence of successful fiscal capacity in each department. When it comes to our financial strategic investments and working with the public servants in the Department of Finance, directing resources toward programs where evidence shows intended outcomes are being achieved efficiently and effectively, and redesigning programs where the results are not only meeting the most efficient and effective manner, but also changing the expected times and time constraints as well — that is the good work that the Department of Finance has been doing in their guidance to all the departments.

Currently, a significant investment is being made in the department to allow the organization to meet its legal obligations and also to provide evidence-based analysis to support the decisions of all of the other departments. This is the good work that the Department of Finance does as it looks department by department at the efficiencies and the effectiveness of employing those programs and services. The reorganization of the department and the creation of the Economics Fiscal Policy and Statistics division with the program evaluation function is part of that investment. This is going to ensure that new resources are deployed more effectively and more efficiently. We have already seen that by looking at our forecast — the numbers that we had for the forecasts and then a year later being able to really get things more in line.

There are challenges — absolutely — with every new change and, with this redeployment, investments and reorganizations are designed to address those concerns. What

we were faced with when we had our forecasts were: outdated and siloed budgeting processes; a lack of appropriate tools to provide robust financial data for decision-making by the elected officials; a lack of capacity inside the comptroller's office to focus on the responsibilities there; a lack of Public Accounts that support the desired level of accountability and transparency; improved financial policy oversight and departmental outreach as well; an inefficient structure to deliver the departments' programs and services; and increased challenges in complexities when meeting departmental needs for support with finance and accounting systems.

This is just a small list, but again, it was the initiatives of the public servants themselves, working with the deputy minister and working with her team to find those efficiencies and effectiveness. We bought into this and we believe that these commitments are going to provide, throughout the years and past this five-year fiscal plan, a level playing field for all the departments to work together with a whole-of-government approach to find the intended outcomes that we need to make sure that we can get back into a situation where we're not spending more than we're actually earning.

Again, when it comes to the changes in my Department of Finance specifically, there are intended outcomes from this investment and we believe that we did the right step here. The long-term benefits are going to be clear. Economic and fiscal policy — well, they're going to be at the forefront of budget development. We saw that this year for sure with this budget and the advice going to Management Board. Fiscal and economic policy is going to be at the forefront there when we're talking about government spending, government policies and evidence-based recommendations to advance Management Board, ensuring it balances the needs of society, industry and economy. Management Board receives evidence-based recommendations and advice based upon a whole-of-government data management and a reporting system that is more robust than ever. Financial planning and evaluation capacity within departments allows them to better deliver on the departments' mandates.

The Department of Finance is continuing to operate as an organizational leader and I'm very proud to be the minister responsible for such an amazing group of individuals. They cook a really good pancake as well, Mr. Deputy Chair; I have to say that.

We put in a lot of these processes per department and I have asked all of my ministers to have this conversation in Committee of the Whole when it comes to their departments as well — fantastic question from the member opposite. The way we do our pre-committees, as I like to call them — you know, Cabinet Committee on Legislation or Cabinet Committee on Priorities and Planning — again, a more whole-of-government approach to the issues that face Yukoners and the departments' approaches to how they solve those issues with the spending of taxpayers' money in a more efficient manner. We believe it's a lot more work up front, that's for sure.

I have seen members of my department working all hours in Finance and I have seen these ministers as well working

around the clock. It is more meetings and it is more conversations but we believe that it is the important piece to make sure that the decisions that we make with taxpayers' money are as prudent as possible.

Mr. Cathers: We heard a lot there. Unfortunately, we didn't hear an answer to a very specific question, asking about the Premier's change in projections from last year at this time to this year for the current fiscal year in terms of a deficit. The Premier is ascribing it to finding efficiencies across every department and then pointing to his own Department of Finance. I would just point out that, while there may be benefits in terms of improved budgeting that occur from increases to the size of the Department of Finance and recognizing that there are staff who certainly worked very long hours when we were in government and probably are now, although I don't see it as directly — and I appreciate the work that they do — but for the simple question of how the projected \$48.9-million deficit for the 2018 fiscal year turned into a \$4.5-million deficit — a reduction of roughly \$44 million — that's a pretty significant change in the Premier's projections.

He talks about a whole-of-government approach but we're asking him a whole-of-government question: Where did the change occur that resulted in this \$44-million difference in his projections last year compared to this year?

Talking about the Department of Finance, specifically — if the Premier is trying to say that there were reductions in the Department of Finance, just as there were across all government departments — the simple fact is that the actual costs within Finance itself grew; they didn't shrink. That isn't a very good example to point to.

We're asking about across government, for this supposedly whole-of-government approach — this \$44-million-plus change in the Premier's projections from last year to this year — what is that made up of?

The Premier and I spent a fair bit of time going around and around on this point last spring. We noted that the government tabled projections last fiscal year which showed a lot more red ink in them than we had projected when in government. We questioned that change. We didn't understand where those increases came from. We weren't given the details to justify why government was projecting going into so much worse of a financial situation in future years and running up, in one year, a \$216-million projected deficit in a year in which we were anticipating a much different financial situation. We question whether the government was overprojecting for future years. We were assured that they weren't. The Premier claimed that we had under-budgeted. We were not provided any evidence of that, and now we see a change that the Premier is effectively suggesting just magically happened.

We're asking what makes up that \$44-million change in the projections from last year compared to this year for what the deficit would be this current fiscal year.

Hon. Mr. Silver: I assume, as I am about to answer this question again and again and again, that any answer that I give

is not going to work for the member opposite because it doesn't fit with his narrative.

That being said, for him to say that in the debate last year in the Legislative Assembly — for us to not come up with those magical mystery extra expenses — we were very clear: Whistle Bend was a huge uncalculated operation and maintenance expense, to the tune of around \$30 million.

I am not going to reiterate the debate. The member opposite believes that they were in a great financial situation. The Financial Advisory Panel and the whole conversation — we knew that we had to have a third party conversation because it was just going to be us versus them as far as that conversation went. I'm not going to rehash that conversation, but we were very clear at that time with our forecasts where those dollars are coming from and the capital assets as well that were forecasted. We were very clear with the money that we were going to spend, very clear with the \$30 million in lapsed capital assets being the best the Yukon government has done in a six-year period. So again, we think we are doing great work on that.

When I was talking about the Finance department — yes, the member opposite is correct that the salary has gone up in that department because of these very strategic investments. My point, if I wasn't clear up front in talking about that — and my point of talking about the Cabinet Committee on Legislation, the Cabinet Committee on Priorities and Planning and a new approach to a whole-of-government approach — this needs the financial scrutiny of the Department of Finance. So that is the point.

If we are looking at the efficiencies and the effectiveness, I really believe that a boosted up — a bolstered — Finance department that looks more like a Department of Finance as opposed to a budgetary office gives the scrutiny that we need, as Cabinet and as caucus, to make the decisions when we are dealing with Yukon taxpayers' money.

I will do two things: I will expand again on some more of the things that we are working on within the budgetary system — you know what, I am going to save that for another day. I have many more things to brag about with the Department of Finance, but I will do what I said I wasn't going to do. I will go outside of the boundaries here to the other departments. Let us take a look, for example, at the five-year capital plan, and how that is helping us to reduce the deficit in numbers.

A lot of the difference is in that five-year plan capital plan. We have asked the departments to be more effective and more efficient, and in that plan, what we are doing is matching up those federal dollars — those cheaper dollars — more effectively than we have in the past. Those owned assets plus the federal funds — just using those dollar values better, per department.

Of course, I want my ministers responsible for those different departments, during Committee of the Whole debate, to draw down on the effectiveness and efficiencies, whether it is clean water and waste-water or even the gateway, as we get into that process as well. The Canadian funds that are coming down the pipe to the different departments, making sure that we strategically align need with those dollar values is

something that every government does, but we believe that we are doing this in a much more efficient manner and we are including those conversations with other governments. This dialogue is helping us to make sure through a five-year plan that we are matching federal funding much more succinctly and therefore calculating for the future in a much better way.

I will leave it at that for now, Mr. Deputy Chair.

Mr. Cathers: That is just not going to cut it. The Premier likes to point to the Whistle Bend continuing care facility, for which we had understood the costs were going to be included in the five-year capital plan. The Premier has repeatedly asserted that they were not, but I point out that when one talks about the total O&M cost of the Whistle Bend continuing care facility, it is substantially less than the Premier's variance in the projected deficit for this current fiscal year compared to one year ago.

The Premier is refusing to answer the detail on a \$44-million change, which is one-and-a-half times larger — roughly speaking — than the Whistle Bend continuing care facility O&M costs that he likes to point to when desperately trying to claim that any increase in costs and any red ink in his budget must be the fault of the previous government. We see that the \$44-million change is in the Premier's own projections — a \$48.9-million deficit projected last fiscal year being reduced to \$4.5 million this fiscal year — a variance with what he projected one year ago. What makes up that change? The Premier made reference to narrative, but narrative is cheap. What we are saying is: Show us the money, show us the evidence.

Hon. Mr. Silver: Again, I can already see the headlines in the Yukon Party's Twitter. The member opposite has come in with a narrative already written. I will continue to answer the questions though, because I think the public deserves these answers.

The additional Whistle Bend costs — the member opposite says that they did account for this. The member opposite knows very well that they never said that it was going to cost what it is actually going to cost — \$36 million in O&M. I do not recall — and the member opposite can correct me if I am wrong — if their estimates on O&M were even close to the reality of \$36 million per year.

The spending this year — as construction is ongoing and as hires are coming in, that number is going to be lower for this year, but ongoing O&M considerations for Whistle Bend are \$36 million. Anybody listening to this debate over the years knows full well that the narrative that the Yukon Party planned for operation and maintenance of this continuing care facility is absolutely not correct. It is not even close to the number that they gave.

These are the real numbers of a real budget that needs to consider real O&M.

My answer — it is not the O&M concerns. It is mostly, again, the capital planning. It is the way that we approach capital planning that is going to continue to have an effect over our deficits, bringing those deficits down. Partnering with First Nation governments, partnering with municipalities and the private sector, taking a look at how we get dollars out

the door for capital builds, working with Ottawa — all of those conversations on how we can better align cheaper dollars from Ottawa coming down the pipe. Being able to make sure that we do not leave any of those dollars on the table is a very important consideration as well. It is a puzzle, and I am happy to say that the work on this side of the House has been very comprehensive and academic in approach, and this is the savings that we find — you come into government and you realize that things are not necessarily what you thought they were going to be.

There was a deficit as opposed to a surplus, which we were told about by the outgoing government at the time of the budget. It turns out that's not true. Then you start taking a look at capital planning. You start taking a look at how the previous government was doing things and we found efficiencies. You're going to forecast at that time. Then you're going to continue to work all year long to make sure that your next budget, through all of the good work that has been done by all the departments and with the scrutiny of the Finance department as well — that these numbers are going to come down to more comprehensive numbers moving forward.

It's working. I think that what we're seeing here is our ability to go from what was forecasted as costs for the year down to a modest deficit this year. Hopefully, we will continue this narrative. Hopefully, at the end of the year and afterward, when the Public Accounts come out, we will see a continuing trend of our supplementary budgets being exactly that — a supplementary budget as opposed to a budget-lite, which was kind of what was happening in the past. So really, when you do that kind of forecasting and budgeting it's really easy to extend your costs as well. We want to make sure that the supplementary budgets are done properly and the cost accounting is done up front.

We're very happy with where we are. Is there more work to be done? Absolutely. We're going to continue to work on this. We need to get out of this deficit by 2020-21 and I believe that all of the work that we have been doing has already had an impact. You can see that by the numbers in this budget and, again, I'm very proud of this team and the other governments that have been working with us to this end.

Mr. Cathers: Last year's projected deficit was \$48.9 million for this fiscal year. This year, the government says it is \$4.5 million. This is a difference of over \$44 million. Can the Premier give us one tangible example to explain the difference?

Hon. Mr. Silver: I will give him some more examples — yes, I will continue. Again, feel free — hopefully the member opposite will feel free to continue to ask these questions in each department. Community Services, for example, has reduced their capital budget from \$7 million on their projected costs — by \$7 million. They have reduced it by \$7 million from their projected costs last year. We believe that the approach that has done that is the envelope approach. When you put things into an envelope, you are going to lapse less funds. The member opposite asked for an example — there's an example.

Mr. Cathers: I appreciate getting an example. That accounts then for, I guess, roughly \$7 million of the difference, but we still have \$37 million in variance in the Premier's own projections that we don't have an explanation for.

There are a number of areas in looking at the budget where we see some interesting questions emerging from it considering what is booked and what isn't. We look in that area there. The Premier likes to point to Whistle Bend and make it the poster child for his claims that the previous government didn't fully budget for the costs of O&M and, again, it is our understanding that we had included the O&M projections within the budget and the government has come up with a higher O&M number that we have yet to see justification for.

But ultimately, when the Premier likes to point to one specific building and the operating costs of it and claim that it is the cause of government's alleged financial woes, and then we ask him about a change in his own projections that is substantially larger than that entire O&M cost — it is our job to ask for details on behalf of the public because it seemed to us that last year, the Premier was coming up with projections that showed a lot of red ink that allowed a substantial opportunity for easily fixing an artificially created problem. Now we have a situation where the Premier has said that, of that \$44-million difference in projection, \$7 million is a cut to the projections for Community Services.

Can he give us other examples of major changes that would make up that \$37-million variance — which I would point out is still about \$1,000 for every man, woman and child in the territory?

Hon. Mr. Silver: Again, I want to leave an opportunity for my ministers during Committee of the Whole to go into what they found in inefficiencies and so we will do that. We will happily do that.

But, again, I have to go back. The member opposite is saying that we keep on going to the poster child of Whistle Bend. Mr. Deputy Chair, continuing care is not something to take lightly here. The member opposite is glazing over Whistle Bend like he was glazing over the recession that we were in under the Yukon Party. He called it an economic downturn. Anybody who calls a recession an "economic downturn" has serious issues with understanding the fiscal capacity of a jurisdiction.

I need to be on record on this, as far as O&M for Whistle Bend — their number was \$4 million in their long-term plans. So here we are, getting raked over the coals for being more consistent with our numbers by a government who said that the long-term O&M for Whistle Bend was going to be \$4 million a year — \$4 million a year. The latest and greatest figure that we have from this 150-bed facility that was started under the Yukon Party government is \$36 million. I find it very rich that I'm getting asked for another example, another example and another example when we're answering their questions. I'm speaking specifically about Finance — I'm happy to give some examples of other departments. I'm talking about the efficiencies and effectiveness that actually

creates a climate for us to be more efficient with our budgeting process and thanking the departments for all their work.

I'm not up here just taking my 20 minutes to respond to questions. I'm answering the questions as they are asked, but again, there is the narrative. It doesn't matter what I say, the member opposite is going to have his narrative and there is nothing I can say about that, but we are continuing to answer the questions over here.

Again, I really want to have the opportunity for my ministers because they are the ones who have taken on the mandate letter for the different departments and for these capital projects, and I want them to have the credit as well. So I'm happy to continue the debate here in general debate where we can generally talk about specifics, or we could get to the actual specifics in the Committee of the Whole debate per department where the line-by-line debate is there. More officials from each department are there as well, for clarity's sake, and the ministers will have an opportunity to bolster their narrative and to thank their departments and to talk specifically about what it means to their departments.

I'm not sure what more the member opposite wants specifically in a general debate conversation, but we will be ready for all of these specific questions about what each — and it is a good question, Mr. Deputy Chair. Let there be no doubt about that. It is a good question to ask each department: What are we doing to make sure that the deficit went from a certain number to another number? It is a legitimate question.

If the member opposite wants a legitimate answer, he knows where to ask it. If the member opposite wants a speaking point for Twitter, then he can continue with his narrative.

Mr. Cathers: If the Premier is wondering what we want, it is answers. The Premier is, by his own admission, effectively answering with narrative. He is referring to an opportunity for ministers to reinforce their narrative.

We are not here to talk about narrative or the government's talking points. We are here to talk about the money. We are here to talk about the government's spending plans for Yukoners and to critique them, and the Premier, in one of his responses, seemed to be forgetting that we are not the government anymore, and I can tell him that if the Yukon Party were the government, the budget would be balanced this fiscal year.

The Premier likes to talk about a whole-of-government approach, but when we come down to asking specific questions about big projects in the budget — whether it is a project that the Premier himself highlighted on Twitter by tweeting a picture of himself handing over a pair of work boots, or other projects — the Premier's answer seems to boil down to, "Don't ask me; ask someone else."

We are not asking for the fine details of spending at this point. What I, as Official Opposition Finance critic, am asking is for an explanation of the big numbers — that \$44-million variance between what the Premier tabled last year and stood up and defended as his projections for the \$48.9-million deficit this fiscal year. We have now seen that fortunately

reduced to \$4.5 million. The Premier provided an explanation for a small portion of it, but we still have \$37 million outstanding. So what is the \$37-million difference? Where does that break down in terms of major changes across departments that — whether a reduction in capital spending or other. What makes up that big change in the Premier's own projections for the deficit this fiscal year?

Hon. Mr. Silver: Answering questions and getting told that I am not answering questions — that is an interesting tack — and, again, telling the member opposite exactly where he needs to go for more specifics — and I'm happy to provide those specifics for him in each department in Committee of the Whole.

We will add to the conversation. If we take the total in the changes across the government of tangible assets, we do have higher revenue this year — high revenue of \$10.4 million — but we do have changes to account for these other items, for the extra \$33 million other than what we discussed here with Community Services, as an example.

Our tangible capital assets estimate at \$23 million — the difference in estimates for loans or for land transactions, a \$6.8-million difference in lapses, estimate costs at \$4.6 million, changes in environmental liabilities of \$6.7 million.

All of this and more information can be provided in Committee of the Whole, and the member opposite knows that. He knows that it is where he is going to get the lion's share of the conversation and the information if he wants that information. If he actually truly wants to have that information, then we can stop general debate and get right into the line items of each of those departments. We are waiting for it but we are not able to get to that because he wants all of those answers done right now, today, in general debate.

We have changes in restricted funds, profits and losses — the changes there of \$5.1 million. There are also other miscellaneous things — prepaid expenses, bad debts, and Yukon tax credits as well, which don't amount to much, but it is worth noting.

This is very specific information, very detailed information — more so than I remember getting in general debate in past years. But again, we are happy to provide it and I am happy to have my ministers draw down on the very specifics. As the member opposite knows, this is very complicated stuff. We have given him an outline of what our Department of Finance has done to make sure that we are more accountable department-wide. We have talked also about some specific examples in specific departments. I have given another breakdown of some of the numbers and how they change, like the higher revenues that we received versus the forecasts.

We don't have that question asked of us: Why are you getting higher revenues? Why is the economy sailing along so well? Why is the unemployment rate so low?

But I am happy to answer the specific questions about the capital assets and where they are. Again, more information can be received through pointed questions in Committee of the Whole to all the departments, allowing my ministers to

showcase the good work that they are doing as well in this whole-of-government approach to the finances of Yukon.

Mr. Cathers: I appreciate that the Premier did finally relent and provide some of that information.

I do want to note that the reason we are asking questions in general debate — although, during the last Legislative Assembly, the Premier was the Leader of the Third Party, it was not practice for there to be a long debate in general debate between the Official Opposition Finance critic and the Premier. In fact, during the first two assemblies of which I was a member, it was quite common practice — the questions were wide-ranging. The reason that this Official Opposition is returning to that practice is that we believe it is useful for gaining information that crosses multiple departments, asking the big questions, asking some specific questions and doing our job on behalf of Yukoners to represent the concerns that we hear, to ask the questions that we hear and to provide our own advice, criticism and suggestions related to the budget of the territory and to have the Premier ultimately be accountable to the Legislative Assembly for his views and his decisions, and the government's overall budgeting in — to use the Premier's term — a whole-of-government approach.

I am now going to go to a question related to what assumptions are made in the finances for this particular fiscal year and anticipated changes that don't appear to be reflected in this year's budget. I had understood, based on the information that we have received — and would ask the Premier to confirm or clarify this — that there is a reduction in the Department of Health and Social Services for the amount that is booked for revenue from the territorial health investment fund and that it has shown a reduction this fiscal year based on that revenue not coming in.

We had also understood, based on a press release from the Premier on March 23 last year, that the territorial health investment fund was being renewed. We're now almost a year later and we are just questioning why that money is not reflected in the budget. We ask the Premier to clarify why that money is not yet booked in this fiscal year and to indicate how much increased revenue is anticipated once that new THIF funding is reflected.

Hon. Mr. Silver: I don't know where the member opposite is getting his information. If he wants to clarify where he believes that the revenue is not all reflected, or in — it is. It is all reflected. It's all in. It's there. Maybe he has confused the expenses side — that is still being finalized as we work through a work plan with Health Canada.

Mr. Cathers: I think the Premier and his officials may wish to confer with the Minister of Health and Social Services and her officials because, based on the information we were provided at the briefing this morning and the handout that was shared with us by officials, it shows a reduction in the territorial health investment fund related to the end of THIF occurring, and we were told in response to a specific question that the new territorial health investment fund was not booked in the 2018 fiscal year for the Department of Health and Social Services.

Can the Premier please confirm or correct that, and explain why there may be some discrepancy between the understandings that various departments provided to us?

Hon. Mr. Silver: I'm assuming that the information that came to the member opposite from the Department of Health and Social Services was the old THIF funding. That is my assumption. I will confer with Health and Social Services, but we're talking about the new THIF plan that is coming forth. That new THIF plan — all revenues are reflected, and we're just still working on the expense side of things. My deputy was in those conversations.

Maybe that is where the confusion is for the member opposite. Maybe he is confusing the old THIF plan and the new THIF plan.

Mr. Cathers: I'm not going to spend a lot of time discussing it here, but I would give the Premier the opportunity to confer and have his officials confer with the staff of Health and Social Services because, based on the information that was handed out to us this morning and the questions that we had asked about it, they were indicating that the new THIF money was not fully booked for this fiscal year. That amount would be roughly \$6.4 million annually.

I will allow the Premier an opportunity with his officials — time to confer on whether the new THIF funding is fully booked for the current fiscal and future fiscal years. I would also ask the Premier just for the record here in the Assembly to clarify the total amount annually that will be received under the THIF funding agreement.

Hon. Mr. Silver: I have already committed to having a conversation with Health and Social Services as far as the handout that was provided to the member opposite. If there was any information given that was incorrect then we will apologize. We know the numbers here. THIF funding is \$6.4 million annually.

Mr. Cathers: I appreciate the answer and would just look to hear back after officials have conferred regarding the numbers, and what is and is not booked in this area because of the discrepancy in the information we were provided.

I believe I am drawing close to the end of my questions for the Premier at this point in time, but I would just ask whether there are any other funding agreements the government has signed or is in the process of negotiating that the Premier anticipates government will be receiving additional revenue from in this fiscal year. Presumably those would be with the federal government, I would assume. Are there any agreements that are signed or in the process of finalizing that are not yet booked for this fiscal year? If so, could the Premier please advise what those are?

Hon. Mr. Silver: As the member opposite knows, I will be able to comment on negotiations when they're final, not when they're being negotiated. I don't know what else to say. I'm just being matter-of-fact with the answer, not trying to be flippant or anything like that.

Mr. Cathers: We will look forward to hearing that information as time goes on.

With that, I think I will wrap up my remarks at this point in time and provide an opportunity for the Third Party to

engage in general debate here. I may resume later if additional questions come up during debate, but with that, I will conclude my remarks. I look forward to receiving the information I have requested from the Premier and I thank the official and all others who are listening and no doubt providing information via e-mail or BBM to the official from Finance for their work and their assistance in providing information during debate this afternoon, and I will conclude my remarks.

Deputy Chair: Does the Committee wish to take a 10-minute break?

All Hon. Members: Agreed.

Deputy Chair: We will recess for 10 minutes.

Recess

Chair (Mr. Hutton): Committee of the Whole will now come to order.

The matter before the Committee is continuing general debate on Bill No. 206, entitled *First Appropriation Act 2018-19*.

Ms. Hanson: I would like to come back, if I may, to general debate with respect to Finance. The minister has commented a number of times with respect to the government's objective of working toward greater efficiencies and effectiveness across departments. I don't think anybody would question that.

I had made comments with respect to what was tabled in this Legislature's performance plans. I would like to have the Minister of Finance clarify for this House how this performance plan will — or if there is a source document — transition over time because I cannot believe that this is performance plan. I am anticipating that in fact there are supporting documents that will provide both the government ministers — Cabinet — with objective data and metrics upon which to measure the statements which are written at a very high level.

I will give you a couple of examples, Mr. Chair, and then ask the Finance minister to tell this House — both the members of this Legislative Assembly and citizens — what we can anticipate in terms of actually seeing how these broadly stated objectives will be conveyed so that we have measurable metrics with respect to each of these broad activity areas. For example: provide services to allow seniors to remain in their own homes longer. What metrics will the government be using to measure which services — and how they will be measuring what services — contribute to allowing seniors to remain their homes longer and at what cost? To regulate and fund midwifery: How does that get translated into a measurable metric in terms of the number of midwifery positions anticipated and by when? We are looking at the kinds of normal metrics that you would use in both planning for and then managing either components within a broader department or a program.

First of all, I want to have confirmation from the minister that there is an intention to report with a greater level of detail

and, secondly, to confirm whether or not there is backup to each of these broad-level statements. That would help me in terms of whether or not — and to the extent to which — these questions get pursued.

Hon. Mr. Silver: I appreciate the question from the member opposite.

This is a new plan. Performance plans have never been put in part of the budget before — so again, lots of questions. We were asked the question about how the plan will be updated — a lot of very good questions from people who want to actually use this as an assessment tool to see that the accomplishments are being done, so I do really appreciate the question from the member opposite.

As far as the metrics of how we are assessing — currently, we are using survey and administrative data. As the member opposite knows, we have taken the Department of Finance — through the Finance reorganization — and put it in that department, and specifically for a lot of this oversight. It is about the evidence behind evidence-based decision-making.

However, as we said, this is our first kick at the can of these performance plans, and we are open to suggestions from the members opposite and other stakeholders as to how we approve that process. Right now, like I said, we are working with survey and administrative data, and then we have the Yukon Bureau of Statistics, being in Finance as well, helping with those parameters.

But again, we need to go further than that. We need to make sure that this process is something that Yukoners can buy into. So in our first iteration of these performance plans, I'm glad they are there. I have been hearing a lot of positive feedback as to having a list of accomplishments and a list of what we are still working on. It is like a focus in time of where we are and what we have accomplished in a year.

Again, to the member opposite's point, it is the assessment of that — it is the parameters around how we assess the details that we are working on. I will commend the member opposite for taking a look at this from an academic point of view. I am assuming, by the questions, that this is something that the member opposite would be in favour of, as long as those performance criteria are fulsome, making sure that we are not just using this as a checklist for own purposes — that type of thing.

We are not done yet. We do need your feedback — “your” being that of Yukoners and members opposite — to make those performance metrics more meaningful. I am happy that we are going in this direction. There was a lot of conversation about what this was supposed to look like, and I am very happy with the buy-in from all of the departments and all the work that was done. But, as far as that performance metrics piece that the member opposite speaks of, we do need feedback of Yukoners. We are going to use our Engage Yukon website and Yukon.ca to endeavour to do that, but again, we are open to some more suggestions from the members opposite.

Ms. Hanson: I thank the minister. I don't come at this from an academic point of view. I come from a practical, experience-based approach, which is why I am seeking to

focus on how we develop the evidence that will support what are lofty statements. At this stage of the game, what I see before me is a document that reflects what I would say is a very beginning stage. We have ideas and we put them up on the wall, and everybody says, “This is really good. It sounds nice. This is what we want to do.” What I'm seeking right now is: How are you going to take those nice, lofty ideas and translate them into effective, efficient and economic delivery of programs and services so we can say that this is the best use of the resources that have been appropriated by this Legislative Assembly to achieve this objective?

Quite frankly, they are not written in a way that can be measured and can be, at the end of any period of time — a year, five years, or whatever, presuming that you have this in view at a strategic level and then you have some business planning going on with various departments. I raise this because, if we're serious about this as government, then we should be looking at how, in fact, this does work. Other governments across Canada publish on their websites their strategic plan — their business plans — for each department and agency so that citizens can go there and they can say: “This is what they said they were going to do, and this is how much they said it was going to cost.” Then they can make a realistic assessment of whether it was achieved or not. It's not academic, Mr. Chair. It's actually going on now.

As much as I'm encouraged by the fact that we at least have the ideas up on a wall, they are too broad. It's like if you have a group of people in a room and you throw everything up and say, “Good; I feel good.” Then I say, “Now what's the next step?” That is where we get into the metrics of all of this. Ultimately, that's our job, as legislators — to ensure that what we're doing with the resources that have been provided to us both by the citizens of Yukon and, largely, by the citizens of Canada is done in the most effective, efficient and economical way.

None of what we see in front of us as a performance plan allows us to make that assessment.

Hon. Mr. Silver: Yes, we agree. You manage what you measure. That is an important piece. Again, as we go down the road of the key Yukon indicators and as we move forward, the question is really: How do we identify the indicators that are important to Yukoners? That is the important piece. We have been engaging with Yukoners through the late spring about what kind of performance measures the government should be using to determine our progress.

This is revolutionary; this is a new piece that has been happening. We're moving in that capacity — more information on that as we come out, but that is the question. We will be engaging with Yukoners into the late spring. We're not there yet, so we're moving forward on that and we're asking that question: How can Yukoners help us to better identify indicators that are important to them? By identifying — and not only identifying, but by tracking these key indicators, the government is going to be better informed. That is the point of the performance plan and those key indicators. This set of initial key indicators developed as part of the performance plan — their focus on measuring progress

on the outcomes that we have identified to set a clearer vision for our future. We want to work with the opposition; we want to work with Yukoners as we go into our engagement stage to talk about how we can make these indicators better to them. It's obvious that the member opposite has some ideas in that capacity and we would be happy to engage with her.

Interestingly, where did this come from? We were taking a look for a while at business plans and different types of iterations, and we actually focused in — and if the members opposite want to do some research on where we came at this performance plan idea from, it was from Scotland actually. Scotland is a jurisdiction that we want to model, and so that's where we're coming from. It would be worth folks' while to take a look at how many years they have been using that system and the results that have come from there.

Identifying some of the priority areas that this government is currently working on — that's the plan. It is to identify that. It's not possible to include everyone in concise planning, but we do want to make sure that Yukoners have a clearer picture about our priorities and some of the projects that we're working on. That's the intent and that's what we're moving on.

To address the initial point of this general debate conversation, we are happy to engage with members of opposition when it comes to taking a look at key metrics and indicators moving forward.

Ms. Hanson: With respect, this is not new and it's not revolutionary. It's pretty standard practice for governments, and I've been involved with government for over 30 years and can tell you that the expectations for performance — I mean, the Premier may be hearing that I have been asking questions of departments and agencies, including the Public Service Commission, and asking how this government assesses the performance of its senior management cadre, how they determine what portion of their pay is at risk and what portion is getting bonus. Basically, how do you know whether somebody is performing? Because if you haven't set certain metrics about what you expect them to do and certain competencies, then you don't know that. I think we will be pushing that one quite a bit over the next while.

Let me just give an example. I see, under performance highlights, it says: "Remediate contaminated sites in communities across Yukon." Then I look at the Public Accounts and I see, under environmental liabilities, that this year — again, year over last — environmental contaminated liabilities accruing as a result of government activities — Government of Yukon, not the historic type 2 site activities, but activities that the Government of Yukon is responsible for — continue the trajectory of going up. Higher liabilities — so it has now a liability of \$22,875,000. What's the plan across government — a whole-of-government plan? Because it's split between Community Services and Highways and Public Works, it's not simply — and those are the two key offenders in terms of liabilities here. What target in a performance plan does the government set for itself to reduce those liabilities as opposed to seeing them increasing year after year? That to me says: "That's our plan; we're going to do this; this is how

we're going to do it; and we're going to assess that effectiveness at the end of a period of time." I don't care what period you set but you have to set yourself a target. Otherwise, Public Accounts next year — or debate on Highways and Public Works and Community Services, which we'll get to — will be saying exactly the same thing. I have watched this line in the Public Accounts over the last six years continue to rise.

This is the Government of Yukon's liabilities. We cannot blame anybody else. We can't say the feds are going to bail us out. It is our responsibility. So what are we doing as a whole-of-government approach? What are our indices? What do you want to target? I would just use that as an example. To me, it is an easy one because I would imagine that is in somebody's work plan. I would hope so, but I don't know that because I can't see this in the performance highlights here. I certainly can't see it in any of the budget documents. All I get is the after-results, which is the Public Accounts, which tell me, "This is where we are at," which is, again, up. There are other examples. I am using this one because it is the clearest, but there are many other examples that I will come back to.

Hon. Mr. Silver: I don't disagree with the comments from the member opposite. As far as specifics from the different departments, we can table the remediation plan. With all that is being asked of us, we did say that we wanted to lay out the foundations of four key priorities: people-centred approach to wellness; strategic investments to build healthy, vibrant and sustainable communities; strong government-to-government relationships; and growing the economy in an environmentally responsible way. I concur with the member opposite that this particular issue is part and parcel of the reason why we are having the performance plans. Is this solved now? No. Are we figuring out the key metrics as we move forward? We are.

I want to work with the member opposite to make sure that we have that moving forward. We do need to do better. I won't disagree with the member opposite on this. I agree with her statements, and I will talk with my Minister of Environment and the ministries that the member opposite brought up, and we will get back to her on any progress. But I agree that waiting for the Public Accounts to see what has and hasn't been done is not enough and we do need to do better.

Ms. Hanson: I appreciate the minister's comments. I guess what I am trying to drive at is that, as the minister is aware, I was very complimentary last year and I have tried to continue to be with respect to what I understood was the restructuring of the Department of Finance with respect to it actually playing the role of a central agency that sets a standard, that says we are expecting to have some common ways of reporting and some common ways of stating across departments. These are how you are going to state what your strategic objectives for that department are, then within those broad categories of business lines, and then right down to the line objects. What do you expect to achieve with the money that you have and the people and resources that you manage?

At the outset I asked: Is this document, which is called Performance Plan Highlights, backed up somewhere? If it is not yet, is there a target date at which point we will see on the

Yukon government website by department how these top-level statements — goals of a department or a government — and you can break these into your pillars or departments or whatever you want to call them, but you can break them down. You can say that these are our broad goals and this is how this department will be addressing which of the four pillars we are going to focus on primarily and this is how we are doing it.

Is that the direction that we can expect that we're getting from Department of Finance — to guide departments so that we can actually develop common performance plans that can be assessed? Because the Finance minister is a former teacher, he is used to assessing performance against some objectives and some standards. I think that citizens have a right to be able to assess our performance or their performance as government against some common standards.

So my belabouring this point is really because I don't want to have to keep coming back to it. I want to have some assurance that I won't see this again. I will see something that actually says that when we talk about remediating contaminated sites, our target — remediating X number of contaminated sites by these means, by this date and at this cost — I don't want to see it going up; I want to see them going down. I want to see how we're going to address that. So that's what I'm looking for, Mr. Chair — what are the means, what are the goals and then how are you going to do it?

I'm hoping that we're going to get — because, otherwise, I will give a big warning that citizens will tire quickly of process. There are metrics across this country to measure the social and economic indices of health that have been developed and that are pretty damn standard. If we're going to try to develop something that is unique to the Yukon for those indices, I'm sorry, but that's not going to cut it. I mean, I had people leave the room right now because there were people on the phone because we're not cutting it with some of these people in terms of those health indices. So we had better be incorporating established evidence — evidences that build up over the years — particularly over the last 20 years as Canadian governments across the country have been looking at how we deal with health care more effectively and more efficiently.

Hon. Mr. Silver: Again, yes — the member opposite is correct. In a former life, I was a teacher.

The most important PD that I have ever done — personal development day or professional day that I have done with Department of Education — was on the assessment as, of and for learning. Just a small example of that — before you start a chapter in trigonometry, you ask a student, “Where are you? What is your mark right now? You took a review of this particular topic. Where do you think you are? Where do you want to be?” That is the assessment as, of and for learning. So you start with a goal and say, “This is where we want to be” and you move toward that goal and have students know that they start with a mark. It's like, “Well, I need to have an 80 in this class, and so I guess I need to have an 80 in this chapter because I'm going on to university.” All right, well, you have

that 80 right now. We're going to move you through the process to make sure you maintain that.

So that worked. That system of assessment worked in school. Of course, that system of assessment is not necessarily going to work in government. We're not going to create a made-in-Yukon solution here. We are absolutely interested in making sure that our performance, when it comes to the financial responsibilities of this government, is industry standard. That is exactly what we're starting here with this concept of performance plans.

Now, the member opposite is not happy with what she considers to be a lack of finer details, but again, Mr. Chair, a lot of work went into the details that are in front of us. We will continue to grow this process and these are exactly the reasons that we have set out — we want to have the evidence-based decision-making. That was one of the biggest narratives that we went through the last election with.

It's one of the biggest narratives, actually, that I'm happily surprised — not even surprised, but just elated — that the public service has taken on as well. We are hearing time and time again, as we discuss things like five-year capital plans or seasonally tendered contracts or performance plans — things that haven't been done before — about how they can feed into this process.

We hear time and time again from public servants that if you want the evidence, go no further than the departments in which you serve, and it is true.

This process, in my opinion, is going to allow a whole bunch of different things to happen. One is the assessment that is needed and, again, I understand the criticism from the member opposite that this is not going to be necessarily a Yukon version or something that is different from best practices across Canada. We are going to work with Finance — and again, not just Finance; there were some extra FTEs for the financial strategic investment fees from last year's budget — but we are also working with ECO as a policy department. The minister of both departments helps me keep an eye on how this process moves forward.

I share the member opposite's concerns about assessment and words are cheap, so me saying, “Don't worry about it” is not going to cut it — I understand that — but at the same time this is more information than ever before on a performance type of plan, so we will continue down that path. Again, when it comes to the key indicators, when it comes to assessment, we want to make sure that the assessment is bang on, not just politically.

Ms. Hanson: I thank the minister for that and he is aware, of course, that this conversation will be ongoing. We are not finished, because we are in a very preliminary stage with respect to performance planning.

I would just like to move on and talk about some of the other areas in terms of financial management and just get a current state of play from the Finance minister.

I am interested in the risk management revolving fund, which was established in 2004, and it had a limit then of \$5 million, and that is how government manages and provides self-insuring — so limited insurance and liability — risk

management services to departments — and so that is if somebody sues the government or whatever as I understand it, and he can correct me if I'm wrong.

What I am interested in is what the fund balance is as of the end of this fiscal year. The reason I ask is that it seems to have been going up over the last couple of years. As I understand it, according to Public Accounts, in 2016 it was about \$3,700,000. Last year, it was \$4,400,000, and I am wondering what it is in 2018, and then what happens if it hits \$5 million. What is the plan? I don't know what it is, and if the minister could let us know what that is, because — perhaps an explanation of how that is managed.

Hon. Mr. Silver: The member opposite is correct: it is growing. The reason why it is growing is our asset base is also growing; therefore, our liabilities are growing as well. I don't know what the number is at right now, currently, and so I can get that information from the Minister of Highways and Public Works as it climbs up to the threshold of \$5 million.

Ms. Hanson: So as I understand it, we have had to pay out for bodily injury, property damage and automobile liability, and I understand that last year there were unpaid claims in the amount of over \$1 million, which was about \$100,000 less than the previous year.

What are the unpaid claims currently?

Hon. Mr. Silver: We are going to have to get back to the member opposite. I don't have that number here at my desk here right now.

Ms. Hanson: I understand also that, in addition to the risk management ones where somebody is actually suing us, we have costs of legal claims and so we have seen over the last few years that go up from about \$1.8 million and then it went — poof — right up to \$12.2 million in 2016 and then down to \$2 million in 2017. We're at the end of the fiscal year now, so where are we with the legal claims that we have against us right now in terms of whatever people are pleading against us, or charging against us? What are the claims against us that we're facing right now — legal claims against us?

Hon. Mr. Silver: I am going to go back again to the unpaid claims that were \$1 million last year. We can give you an update on that at the end of the fiscal year.

It's a running tally. Once the fiscal year is over, we will have a better answer. If the member opposite doesn't mind waiting until the end of the fiscal year — it's very soon, around the corner.

When it comes to claims against us — claims and what their dollar values are rarely actually equate to, at the end, what is actually paid out. If we were going to give you a running tally — we have one lawsuit that's worth \$2 billion right now that is against us, so it would put the numbers way out of whack. Moving from claims to liabilities is underway and it's part of the Public Accounts process. I'm not sure if that answers the question for the member opposite or if she's looking specifically for liabilities from the Public Accounts. Maybe she can clarify if it's the claims she is looking for or something else.

Ms. Hanson: The minister is correct. In the Public Accounts, they do make note of the \$2.26 billion, which was

in a statement of claim by Northern Cross, subsequently Chance Oil and Gas, but that was treated as a separate item in Public Accounts, quite separate from the amounts that CSFY, Commission scolaire francophone du Yukon — as we all know, that started off as a \$1.9-million legal bill that has ballooned into a \$27-million charge for the Government of Yukon — because of how it was managed by the previous government, I would argue, because that wasn't what they were asserting for in the first place. That appeal — and subsequently following through with forcing people into courts as opposed to resolving some issues at the front — cost us, as citizens, quite a lot of money and probably a lot of good will.

As the minister is aware, CSFY, at the end of that, last year — it was an outstanding liability of \$2,070,000. As I said before, there had been, in 2016, an outstanding liability of \$12,200,000. I recognize that we can't know the precise — but I imagine the departments do some rollup to Finance about — because when I asked Department of Justice — it is my understanding that all the costs of engaging with legal counsel go to the Department of Justice, so I would assume the Department of Justice has told Finance that this is where we're at. My understanding is that you do at least quarterly reporting — some sort of reporting on expenditures. I'm presuming we don't just do it once a year. You do keep track. We all do. We're budgeting, so do we have a rough idea where we're at with our outstanding legal claims?

Hon. Mr. Silver: I concur with the member opposite as far as — you get more bang for your buck if you're not litigating all the time, and we're trying to do that. We're very happy with a lot of the abeyances that are happening this year. We spoke today about Ross River and with wildlife management there. There is an abeyance as well with Tr'ondëk Hwëch'in when it comes to class 1 notification. There are a couple of different areas where, already within this first year, we have been working with our partner governments in Yukon to put things into abeyance, because I agree that those costs will always escalate.

But again, that is another reason why — as far as running tallies go, in the Department of Justice. I'm sure the Department of Justice keeps tallies on that, but from claims to actual court decisions, these values change every year, so that is why the liabilities — those that are reported — are reported once a year and they are reported in the Public Accounts process.

Ms. Hanson: That reinforces what I had proposed in the past, and I will continue to propose to this government that Members of the Legislative Assembly — similar to what Members of Parliament — the Parliamentary Budget Officer had put in place a process that allowed real-time reports to all members so that, as we go through the fiscal year, we're not waiting for 18 months after the fact to talk about performance. We're talking about real-time performance financial reports to Members of Parliament that are made available.

The previous Minister of Finance wasn't interested in doing that, but now that we're restructuring the Department of Finance and we're putting the comptroller function in there —

it's a considerable budget, but it's not massive, compared to comparable federal departments. I have used that example before. It should not be difficult to be able to give something similar — ministers do see — or their deputies, hopefully, are watching — expenditures month by month, quarter by quarter, either at a semi-annual or quarterly basis — to the Members of the Legislative Assembly so that we don't have backward conversations; we have actual engaged conversations because, if we're serious about how accountability, openness and transparency work, then we do that kind of stuff.

Anyway, I am hopeful — because then we would be able to say that this is again another metric of how we're performing. It moves it from the fluff to the actual.

Hon. Mr. Silver: This is not the first time I have heard this asked from the member opposite. It came up almost yearly, I believe, in general debate. I often wondered why a government wouldn't want to consider it.

I have absolutely no problem at all talking with the Parliamentary Budget Office — best practices, what they do. I just spoke with my Attorney General and she concurs that this is not something that we would shy away from, and I want to commend the member opposite for her diligence in this pursuit. Like I said, this is not the first time we have heard it in the Legislative Assembly, and it is a great idea. We will take a look at the Parliamentary Budget Office and we'll see what we can do on this file.

Ms. Hanson: I do appreciate that and I look forward to working with the minister on that.

I'm looking forward also to the proposed session at the end of April on Public Accounts 101, so that all of us may have the opportunity to actually read them. They are kind of fascinating and kind of revealing. It would be useful to all to be looking at them.

Hon. Mr. Silver: I will agree that they are fascinating. I will apologize to my deputy minister because I would say it's fascinating in a kind of geeky way. I am a math teacher, so I can geek-out over here, so no problem — yes, absolutely.

Chair: Is there any further general debate on Bill No. 206, entitled *First Appropriation Act 2018-19*?

Seeing none, we will now proceed to clause 1.

On Clause 1

Chair: Clause 1 includes Schedule A, containing the departmental estimates.

The matter now before the Committee is Vote 12, Department of Finance. The estimates for Vote 12 begin at page 11-3 of the estimates binder.

Do members wish to take a brief recess?

All Hon. Members: Agreed.

Chair: Committee of the Whole will recess for 10 minutes.

Recess

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

The matter before the Committee is general debate on Vote 12, Department of Finance, in Bill No. 206, entitled *First Appropriation Act 2018-19*.

Department of Finance

Hon. Mr. Silver: It is with great pleasure that I have the opportunity to rise to speak to the appropriations tabled in the Department of Finance for 2018-19.

I have a lot of notes here but, in the interest of time, I am going to get right to the facts here.

Of course, I have with me in the Legislative Assembly again here today Deputy Minister Katherine White — and a shout-out to all the folks in Finance who have helped with this budget and helped mentor me in this role as minister. I am very humbled by the staff and the public servants whom I serve.

I am going to get right to operation and maintenance. I am confident that the \$14 million appropriated to the Department of Finance in 2018-19 will lead to even greater achievements in this government. We have talked about the strategic investment of the last year and we are moving forward on that endeavour. Of this, \$12.7 million is for operation and maintenance, while \$1.3 million is allocated for capital expenditures.

With respect to operation and maintenance, approval for \$10.5 million is sought for salary, or 83 percent of the total O&M. Similar to last year, you will notice an increase of approximately \$760,000 in this area over the 2017-18 main estimates. This represents money required for natural increases according to the collective bargaining agreement, as well as ongoing modernization efforts within the department.

The strategic investments made by the Department of Finance now are all in an effort to save money in the long run, and we are looking forward to the fruits of that labour.

Beyond salaries, another \$1.6 million in O&M costs can be attributed to support items such as banking services, supplies, telephones, travel, contacts and other items that are required for day-to-day operations. This accounts for a further 12 percent of the O&M.

The remaining five percent, or \$639,000, associated with O&M consists of an ongoing transfer agreement related to the public utilities income tax transfer and Workers' Compensation Supplementary Benefits. The public utilities income tax transfer payments provide a rebate to Yukon ratepayers through a grant to the Yukon Energy Corporation to cover deemed income taxes collected from the local electricity authority provider.

Moving on to capital expenditures, the department is seeking approval for \$1.3 million in 2018-19. Of this amount, \$1.2 million is allocated for the development of a government budgeting and personnel planning system and for the maintenance and upgrade to the system's rapidly aging financial management system. Both of these initiatives should be substantially completed by the end of the year.

As members know, this government is moving toward budgeting based on evidence and presented by the Department of Finance. We do have a mandate to support this. We have

\$570,000 of the \$1.2 million for IT being spent to develop a new budgeting tool. This is the type of investment that produces efficiencies and, at the same time, the current version of the main accounting system of the Yukon government is nine years old and is at the end of its useful life. Currently, it resides on a physical server that has reached the end of its useful life and operates on a Windows 2003 server, which is no longer supported. Imagine that.

If the main accounting systems were to fail, the Yukon government would not be able to pay vendors, individuals, First Nations or others. Nor would it be able to issue contracts, purchase orders or transfer payment agreements. It is a pretty important piece of equipment. It would also not be able to maintain the transactional data to produce the Public Accounts. Due to age and obsolescence in the main accounting system, its operating system hardware and peripheral systems, the main accounting system of the government is in need of an upgrade. The other \$470,000 of the \$1.2 million for IT is to be associated with this work being done in 2018-19. A further \$153,000 will be spent on maintenance of the system while this work is underway.

Finally, \$140,000 of capital investment is required to reorganize office space to accommodate existing and new staff within the departments.

On the revenue side of things, we will see growth in our three major federal transfers. We recognize that this support from Canada continues to grow and allows Yukon to realize many of its key priorities. The federal formula financing total will see an increase from \$919 million in the 2017-18 budget to \$950 million in 2018-19. The Canadian health transfer for this year is set at \$39.8 million, which is up nearly \$2 million from the prior year. The Canadian social transfer is set at \$14.7 million, which is up almost \$600,000 from the prior year. This represents a 3.3-percent increase in this area.

There are a couple of different things in here that I don't necessarily need to go over or that we have already gone over, so I will go to looking at tax revenue. I will start with tax revenue generated in the territory. You will note stable increases of \$9.4 million over the last year with some notable changes.

In 2018-19, we will see \$74 million come from personal income tax; \$12 million will be generated from corporate income tax; \$7.9 million will come from fuel oil tax; \$2.4 million will stem from the insurance premium tax; and \$12.3 million will be generated from tobacco taxes. Revenue from other sources like banking and investment as well as received interest payments accounts for an additional \$4 million in revenue. In total, the 2018-19 budget estimates reflects \$113.5 million in tax revenue for Yukon, up slightly from last year.

I'm going to forego my concluding remarks so that we can get to some specific questions from the members opposite.

Mr. Cathers: I thank the Premier for that information. Could the Premier please provide us with clarification on the other revenue contained within the Department of Finance which, if I understand correctly, totalled \$4.8 million? What is that projected revenue due to — and a breakdown on that?

Hon. Mr. Silver: I'm going to ask for a clarification on finance revenues. We have miscellaneous revenue. Is that what the member opposite is looking at or is it another category — if he could direct my eyes to the right line item please?

Mr. Cathers: I apologize to the Premier. I didn't have the exact line item there. I was just looking at information that we were provided at the briefing that was marked on the handout at the briefing as "other revenue". I just was asking for clarification on what that was made up of.

There is a reference as well to revenue as a result of increased interest rates and interest on advance to a corporation — just if I could get a breakdown on that please.

Hon. Mr. Silver: Thank you for the clarification from the member opposite.

Under Other Revenue, we have Banking and Investment totalling \$3,910,000 for the 2018-19 estimates. Interest on Advance to Territorial Corporation" is coming in as an estimate at \$862,000; Interest on Accounts Receivable — \$5,000; Miscellaneous Revenue — \$50,000; and zero for Prior Years' Other Revenue.

As far as a breakdown for Miscellaneous Revenue, that is basically everything including the kitchen sink and to get a breakdown of that number, I am going to have to rely on some of the department officials and do a legislative return for that breakdown.

Mr. Cathers: I would appreciate receiving that, but won't ask for further information at this point during debate.

Could the Premier just clarify a point in terms of budget preparation — actually two points, I should say. Could the Premier please clarify whether the government is still preparing its budgets on the basis of doing variance reports for periods 4, 8 and 12 or has there been a change in that format?

Secondly, we were advised in discussions with officials that departments were required to change the format this year on how they were submitting budgets and provide a breakdown in terms of services they provide. While that does have obviously some potential benefits to it at face value, can the Premier advise whether there were additional costs resulting from departments having to move to that format and, if so, what those would be and whether those costs would be ongoing or one time?

Hon. Mr. Silver: To answer the first question, under the Yukon Party, it was 5, 8 and 12, as far as the variances and for the second year in a row now — and we're going to continue this — it's 4, 8 and 12, so the member opposite is correct.

To answer his second question, this is one of those areas again where we're finding efficiencies. We asked the departments to add up their expenses based upon services and, in doing that, we're finding efficiencies. There will be no additional cost based upon this new method of doing these expenses. Again, it's a more efficient system. That would be a good way of saying it.

Mr. Cathers: I am just looking to return to the topic of cannabis. We see and of course we recognize that it is within the Yukon Liquor Corporation — the budget for start-up costs

for cannabis. We see as well a \$387,000-line item in the Department of Finance of projected revenue received from the federal government as the share of the federal government as the share of the federal cannabis excise tax.

So again, we see that \$387,000 revenue in terms of the split from the federal share. Can the Premier advise for how much the government is expecting to sell the \$2.7 million in cannabis supplies and products that it projects buying — what the expected markup is going to be on that — and whether the revenue from that will show up in revenue to the Department of Finance or show up in the Liquor Corporation's budget?

Hon. Mr. Silver: As the member opposite knows, the Liquor Corporation — I don't have the right to be debating or to be explaining line-by-line expenses for the Liquor Corporation. Our number one priority is to eliminate the illicit trade, and, of course, that is going to come down to price point. It is a good conversation — that is for sure — but that is not up to me to be debating line by line for the Yukon Liquor Corporation.

Again, we have been in the Legislative Assembly talking about price point before. We talked about our concern that, once you legitimize this industry, what will happen to the illicit market's price? That is a big concern — that is for sure — and there are lots of conversations on a federal basis as far as the tax and the breakdown of the tax money; I could talk about that.

As the member opposite knows, we have broken that down to a 25/75 split, with us getting the 75, up to a \$100-million threshold for the federal tax, and then we get that money of their 25 percent if the revenues are increased nationally over the \$100 million.

It is the number one priority for us to make sure that the product gets out, that it will be competitive, therefore reducing, as much as possible, that illicit trade.

Mr. Cathers: I am not going to spend a lot of time debating the point, but I did find it interesting that the Premier indicated that he didn't have the right to talk about other departments. It does seem at odds with the whole-of-government approach to have ministers — in this case the Premier and chair of Cabinet — declining to mention anything about other departments, but I'm not going to spend a lot of time debating that point this afternoon.

We will look forward to additional information on the projected revenue and the projected markup by the Minister responsible for the Liquor Corporation.

While the subject of cannabis and the 75-25 share is being discussed — I don't usually mention officials by name in the Assembly, but just based on what was drawn to our attention, I would like to just congratulate and thank Clarke LaPrairie for his excellent work on this file. I understand from the deputy minister that his work was an important part of provinces and territories being able to get as much of that share as we did, so I just thank him for that.

Mr. Chair, I just return briefly to the issue of the increase in the personnel budget. I had understood earlier from the information we had received that the Department of Finance was being increased by a projected 6.5 FTEs this year, with

2.5 then in next fiscal year, and then, based on the Premier's comments earlier this afternoon — the Premier had stated it as six and three. I would just ask for clarification on which number is anticipated and, if there is an adjustment since the information we were provided, can the Premier confirm if the increase to the personnel budget is still an increase of \$762,000 over last year's estimate or if that number has been adjusted as a result of any change in the projected number of new positions hired this fiscal year.

Hon. Mr. Silver: I appreciate the opportunity to update the Legislative Assembly on that. There has been a small delay, and it's an interesting delay because, in the tendering and hiring process, some of those hires came internally. When you hire internally, you then have to replace other positions internally as well. There has been a small delay on that.

As my official takes a look to see the actual numbers looked for, I will go back to the original comment that the member opposite made about the whole-of-government approach.

We are doing a whole-of-government approach. The slight difference with the understanding here is — and the member opposite knows this — that Crown corporations are not departments. I couldn't count on my two hands how many times in opposition we would ask a question about a Crown corporation and, of course, the answer would be that it is for the Crown corporation to answer. I'm merely doing the exact same thing because that's the proper answer in both cases. I am not at liberty — that would probably be a better way of saying that — to discuss the line items of the corporations. I can't commit to doing that in the Legislative Assembly today but, when it comes to the reorganization, there has been a small delay. As far as the actual numbers, the new number is \$639,000 associated with those O&M costs.

Mr. Cathers: I appreciate that information from the Premier and although I could go on for not only the rest of this afternoon, but quite some time here in asking questions related to Finance, in the interest of expediting debate of the House, allowing the Third Party time in the Department of Finance and moving on to other departments, I will at this point hand the floor over to the Leader of the Third Party and potentially ask questions later, if any arise.

Otherwise, if this is my last opportunity in speaking in debate on Finance, I would just again thank the officials in Finance for all the work they do and the information they provided us.

Chair: Is there any further general debate on the Department of Finance?

Seeing none, we will move to line-by-line debate.

On Corporate Services

On Operation and Maintenance Expenditures

On Deputy Minister's Office

Deputy Minister's Office in the amount of \$397,000 agreed to

On Directorate

Directorate in the amount of \$960,000 agreed to

Corporate Services Operation and Maintenance Expenditures in the amount of \$1,357,000 agreed to

On Capital Expenditures*On Office Furniture and Equipment**Office Furniture and Equipment in the amount of \$140,000 agreed to**On Information Technology Equipment and Systems**Information Technology Equipment and Systems in the amount of \$1,193,000 agreed to*

Mr. Cathers: Mr. Chair, pursuant to Standing Order 14.3, I request the unanimous consent of Committee of the Whole to deem all remaining lines in Vote 12, Department of Finance, cleared or carried, as required.

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

Chair: Mr. Cathers has, pursuant to Standing Order 14.3, requested the unanimous consent of Committee of the Whole to deem all remaining lines in Vote 12, Department of Finance, cleared or carried, as required.

Is there unanimous consent?

All Hon. Members: Agreed.**On Operation and Maintenance Expenditures***Total Operation and Maintenance Expenditures in the amount of \$12,703,000 agreed to***On Capital Expenditures***Total Capital Expenditures in the amount of \$1,333,000 agreed to**Total Expenditures in the amount of \$14,036,000 agreed to**Department of Finance agreed to*

Hon. Mr. Silver: Mr. Chair, I move that you report progress.

Chair: It has been moved by Mr. Silver that the Chair report progress on Bill No. 206, entitled *First Appropriation Act 2018-19*.

Motion agreed to

Hon. Ms. McPhee: I move that the Speaker do now resume the Chair.

Chair: It has been moved by Ms. McPhee 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. Hutton: Mr. Speaker, Committee of the Whole has considered Bill No. 205, entitled *Interim Supply Appropriation Act 2018-19*, and directed me to report the bill without amendment.

Committee of the Whole has also considered Bill No. 206, *First Appropriation Act 2018-19*, and directed me to report progress.

Speaker: You have heard the report from the Chair of Committee of the Whole.

Are you agreed?

Some Hon. Members: Agreed.**Speaker:** I declare the report carried.

Hon. Ms. McPhee: 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: This House now stands adjourned until 1:00 p.m. tomorrow.

*The House adjourned at 5:22 p.m.***The following documents were filed March 13, 2018:**

34-2-38

Yukon Teachers Labour Relations Board grievance decision re Lindsay Hutchinson, Mattaeus Geisler, Emily Claes, Pricilla Dawson, Allison Cunningham, Trine Dennis, Laura Bateman, and Bruce Gillard v. Government of Yukon (July 20, 2017) (White)

34-2-39

Yukon Teachers Labour Relations Board grievance decision re Lindsay Hutchinson, Mattaeus Geisler, Emily Claes, Pricilla Dawson, Allison Cunningham, Trine Dennis, Laura Bateman, and Bruce Gillard v. Government of Yukon (February 26, 2018) (White)

34-2-40

Yukon Teachers Labour Relations Board grievance decision re David Trevor Ratcliff v. Government of Yukon (January 31, 2018) (White)

34-2-41

Yukon Teachers Labour Relations Board grievance reasons for decision re René Lapierre v. Government of Yukon (July 10, 2013) (White)