

EVIDENCE**Whitehorse, Yukon****Thursday, February 5, 2004 — 10:00 a.m.**

Mr. Hardy: I will call the hearing to order.

The Committee would like to thank the witnesses from the Yukon Liquor Corporation for appearing before us and also for submitting the written submission based on our request. Today, I'd like to thank the following witnesses for appearing and to introduce them to the Committee: Mr. Marc Tremblay is the President of the Yukon Liquor Corporation; David Steele is the Vice-President, and Carol Arntzen is the General Manager of the Yukon Lottery Commission.

I'll introduce the members of the Committee and its advisors. The committee members are: me, Todd Hardy — I'm the Chair; Patrick Rouble is the Vice-Chair; Mr. Peter Jenkins, Ms. Pat Duncan, Mr. Eric Fairclough and Mr. Dean Hassard are Committee members.

The advisors from the Auditor General of Canada are Ron Thompson, Roger Simpson and Eric Hellsten.

The Clerk to the Public Accounts Committee is Floyd McCormick.

The Public Accounts Committee is established by order of the Legislative Assembly. We are a non-partisan committee with a mandate to ensure economy, efficiency and effectiveness in public spending — in other words, accountability for the use of public funds.

Our task is not to challenge government policy but to examine its implementation. The results of our deliberations will be reported back to the Legislative Assembly.

The Public Accounts Committee was formed in 1980 and reported annually to the Legislative Assembly until 1991. However, this committee has issued only one report since then.

This current committee intends to hold hearings and conduct investigations into the operations of government departments and entities in pursuit of improving accountability.

Because of the Committee's inactivity, there is not much corporate knowledge and experience in how the Committee operates. So let me set a few ground rules on how the Committee will operate.

The Committee sent out three questions to selected government entities regarding that entity's mandate and how that mandate is being fulfilled. The entities have already responded in writing. The questions and responses form the basis of these hearings.

Mr. Tremblay will be invited to make a brief opening statement. Then members will ask questions. I ask that questions and answers be kept brief and to the point so that we may deal with as many issues as possible in the one hour allocated for this hearing.

At the end of the hearings, the Committee will prepare a report of its proceedings and any recommendations that it makes. This will be tabled in the Legislative Assembly, along with a verbatim text of the hearing.

It is our intention to hold regular meetings in the future that will deal with both new issues and follow up on previous hearings.

We will now proceed to the opening statement.

Mr. Tremblay: Thank you very much, Mr. Chair, and good morning, and good morning to the members of the Committee.

To my right is David Steele, the Vice-President of Operations for the Yukon Liquor Corporation, and to my left is Carol Arntzen, General Manager of the Yukon Lottery Commission. Among the three of us, we look forward to responding to your questions in a frank, honest and open manner and hope to be able to answer all of them if possible. Anything we're not able to respond to, we assure you we'll get back to you as quickly as possible with the information you request.

A fair amount of material was provided to you in our initial letter, so I won't go into detail in terms of my opening comments to that information. I'd just like to reaffirm that the vision of the Yukon Liquor Corporation is to encourage a culture that fosters legal, socially responsible consumption of beverage alcohol, keeping in mind our responsibility as a public body to ensure the sale and distribution of liquor products.

The Lottery Commission, which is aligned with the Liquor Corporation through the president's office, retains independence in terms of the dispersal of lottery revenues and advice to the minister on lottery-related matters. Our main role in that area is in the administration and support to the corporation. Both the corporation and the commission participate in product licensing, retail sales and distribution. Both are revenue-generating agencies directly supporting government objectives.

In the case of lotteries, the commission returns profits directly to communities and applicants and to the Yukon government in the sport and art areas. In terms of liquor, the revenues flow directly to the government's general revenue fund.

As part of our retail focus, we believe that communities and individual clients deserve consistent and reliable access to product and our management and staff strive to provide a high level of service and offer Yukoners and all visitors a range of selections they desire.

On behalf of my staff and my directors here today I would like to thank you for the opportunity to report to you and look forward to answering any specific questions you may have. Thank you very much.

Mr. Hardy: Thank you, Mr. Tremblay. Mr. Rouble will start the questions.

Mr. Rouble: Thank you, Mr. Chair. Good morning, Mr. Tremblay, Ms. Arntzen, Mr. Steele. Welcome to the Yukon Legislative Assembly and thank you for participating in today's hearings.

As the panel has done in the past, we have pooled our questions and each of us will be asking questions on a different area. I'd like to start off today with governance and the mandate. Could you briefly give me, or give the panel, the overall governance structure of your organization?

Mr. Tremblay: Certainly, and I'll maybe speak to the liquor organization first and then the Lottery Commission.

The prime piece of legislation that established the Yukon Liquor Corporation is the *Liquor Act*. The *Liquor Act* is very specific in terms of the activities and the mandate that we have. It establishes roles for the board; it establishes roles for the

president and the role of the minister. The main function identified for the corporation in that act includes the purchase, importation, distribution, sale, enforcement and licensing pertaining to beverage alcohol, and it included in more recent amendments some responsibilities in terms of social responsibility and recycling, which are more environmental than social activities.

Another act that is important in our governance is the *Liquor Tax Act*, which establishes us as a collector on behalf of the government for tax on all liquor products sold in the Yukon.

The *Public Lotteries Act*, on the other hand, specifies the mandate and governance approach for the administration of lotteries in the Yukon. It allocates the responsibility for the conduct and management of public lotteries to a commission. I use the terms “commission” and “board” interchangeably, so I’ll apologize for that in advance. That commission has the opportunity to make recommendations to the minister on matters pertaining to regulations and lottery profits and the allocation of public lottery dollars. Actually, the allocation of public lottery dollars isn’t a recommendation to the minister but rather a direct responsibility that it administers.

In the *Public Lotteries Act* is a requirement for government to provide support and administration to the Lottery Commission/board, and that is more the role that we in government take, is the provision of that level of support. We also take the role of administration of the operations component of lotteries activities: that is, in relation to the agencies delivering the product and the distribution of product, sales, administration, training — those functions.

I think that’s a general overview of the main pieces of legislation and the prime objectives or activities that we’re involved in at Liquor Corporation and the Lottery Commission.

Mr. Rouble: What do you see as the key responsibilities and duties of the different boards?

Mr. Tremblay: Again, I will start with the liquor board. I think the act allows broad opportunities for different forms of structuring or operating. The approach that has evolved and is consistent with operations currently is one where the board’s prime role for liquor is in the matters of licensing and appeals, as opposed to operations. The Lottery Commission is fairly similar in that regard, where it has evolved, though, with more financial responsibilities in the adjudication of the lotteries trust revenues.

Mr. Rouble: Who, then, has the responsibility to oversee the management of these entities and the approvals of expenditures?

Mr. Tremblay: For the Liquor Corporation, the management of the entity — really the responsibility falls at the highest to the minister for all matters of the operations and policy development. The minister, though, is specifically excluded in the legislation from matters relating to authorization of licences.

So, in that capacity, the president acts very much as a liaison between government and the board for matters of licensing, but the president acts as a chief operating, chief executive officer in matters of operations and finance, with a direct reporting relationship to the minister.

In the case of the Lottery Commission, the commission/board has a direct relationship with the minister. That relationship is one that provides advice on matters pertaining to lotteries and can indicate its satisfaction with the level of support that is provided to the commission by staff people who provide support to the board. The minister’s role in lotteries, then, is one to maintain a linkage with the board. The minister, through the President of the Liquor Corporation, provides those administrative and operations role, which supports the Lottery Commission. In terms of the allocation or authorization of resources for the organizations, the minister has a direct link with liquor, in terms of authorizing budgets and capital expenditures, operating expenditures, revenue levels, tax rates and markups.

In the case of the Lottery Commission, the allocation and approval of budgets is by the commission, as opposed to through the president and up to the administration. The commission has the responsibility for the allocation of funds placed in the trust and earned by commission activities.

Mr. Rouble: Thank you. Could you please tell the Committee what criteria are used for the selection of your board members?

Mr. Tremblay: Board selection is one that’s not so much administered by administration. I can indicate to you the practice is to advertise and ensure that the advertising is representative, so that this occurs Yukon wide.

This would apply for both lotteries and liquor. The names are then accumulated and resumés are developed for all the individuals who have demonstrated an interest. The information goes to boards and committees, which is an organization administered by the government of the day. The type of information that is generally sought and reviewed is by region. There’s generally a desire to have good regional distribution of board members. There is generally a desire to have a good cross-section of gender and race representation on the boards, and an important piece of information that is placed in the resumés is an indication of the interest and activities of the individuals, which generally demonstrates a capacity for the topics they would be dealing with.

Mr. Rouble: What training is provided to help them improve their skills and to work on these boards effectively?

Mr. Tremblay: In terms of the training, I’m going to ask my colleagues if they could respond to that particular question. I know that they’ve both been involved in that from the perspective of providing that training, so I’ll ask Carol first if she’ll speak for lotteries.

Ms. Arntzen: The Yukon Lottery Commission — early on after appointments, there’s a process of usually a weekend meeting. It’s called an orientation meeting, and it’s board development. That’s what we provide for the Yukon Lottery Commission.

We talk about past policies and how they’re developed; we review the budget process, the programs that have been implemented by past commissions and plans for future review, so that new members become familiar with that. We go over all past grant processes and provide an updated statistical list by community of all the funds that have been distributed by the

Lottery Commission. As well, we review the Western Canada Lottery Corporation side, the earning of the revenue and the processes that are involved in that.

Mr. Tremblay: I'd like to add that, on the Lottery Commission at the moment, we have about two representatives from the Ibex Valley, three representatives from Whitehorse, one from Watson Lake, one from Carmacks —

Mr. Rouble: I'm sorry, Mr. Tremblay, we have a very short amount of time today, and if there's information like that, could you please provide it to us in writing afterwards.

Mr. Tremblay: Sure. I'd be happy to.

Mr. Steele: On the liquor side, we try to offer an orientation component. From time to time we do have our Justice advisors speaking to the board, and we also take advantage of the courses offered through the Yukon College, in terms of administrative justice, as well as helping our board members make proper decisions and fully document their processes.

Mr. Rouble: Thank you. Shifting over into mandate, what is your interpretation of the corporation's mandate in terms of who it exists to serve?

Mr. Tremblay: Clearly, the mandate of pretty much any government organization exists to serve the clients, the residents of the territory. A component of the mandate, though, that is important in both these organizations is that they serve the clients of the territory in the provision of product, be it alcohol products or lotteries products, but they also serve Yukoners from the perspective of the provision of revenues. In these corporations, the revenue component is an important component that has to be factored in, or balanced, with social responsibility.

Mr. Rouble: And what are the core programs or activities that allow the corporation to carry out its mandate?

Mr. Tremblay: In the case of liquor, certainly the regulation of product purchasing — in some cases in importing, but primarily purchasing from Canadian sources and purchasing from the B.C. government for imported product. Distribution of those products through licensees and through retail outlets of our own would be the prime activities of the corporation. In addition to that, we have programming related to responsible consumption, recycling, and information and education.

The prime activities or programs of the Lottery Commission are, from the administrative perspective: participation, development and negotiation of agreements for the provision of gaming games, done largely through our arrangements with the Western Canada Lottery Commission. So that can be viewed as a program. The delivery of that program is through a number of agents throughout the territory who, on a commission basis, provide the direct service on our behalf.

The other side of the lotteries programming is one that involves the adjudication of the trust dollars, and that is an activity very much administered by the commission, by the board.

Mr. Rouble: With both of these entities, the consumption of the products is something that many Yukoners enjoy. However, the overconsumption of both products can be detrimental to our community. What programs do you have that can reduce the negative impacts of both corporations?

Mr. Tremblay: It applies to both corporations, but primarily on the liquor side, we're certainly very aware of the impacts of inappropriate consumption. So our marketing is limited for that purpose. You wouldn't see Yukon Liquor Corporation out, being aggressive in terms of sales. Our approach, rather than being aggressive marketers, is more of one whereby we want to ensure product demand is met; where we are aware that a product is desired, it's available, but there is no hard sell of any sort. We're very cognizant of impacts and trying to provide information to the greatest extent possible. And I think some of the first steps taken by the corporation were the provision of information right on the containers that provide alcohol. We are also involved in a number of initiatives whereby others deliver information on the impacts of alcohol. These could include MADD. And David, if you could speak a little bit on the social responsibility side.

Mr. Steele: Yes. It's mostly an information campaign oriented toward helping people make more informed decisions around alcohol and to understand the implications. It's something that we can't assume the responsibility ourselves. We don't profess to have the expertise to really address that ourselves, so we do work with Drug and Alcohol Secretariat, Health and Social Services from a broader perspective and Yukon College in their public health and safety types of programs to try to work on this common type of concern. There are also smaller groups like National Addiction Awareness Week and sports groups that promote healthy lifestyles and choices. Those are the types of campaigns that we wish to pursue.

Mr. Tremblay: On the lottery side, are there programs with Western Canada?

Ms. Arntzen: There are warnings on lottery tickets, and the Yukon Lottery Commission also, similar to the Liquor Corporation, has always been very low-profile. We don't do advertising and marketing in an aggressive way, and that's something that's discussed on an annual basis — the social responsibility.

Mr. Rouble: Thank you. And finally, to what extent is your corporation accomplishing its mandates, and are there any areas that need to be worked on? If so, what are you doing to address the deficiencies in these areas?

Mr. Tremblay: Are we accomplishing our mandates? That's a tough question from the perspective of — one of our biggest difficulties is generating enough revenues for government operations. So we're contributing, but we could always accomplish more. The targets that we set are somewhat established through regulation — our ability to increase or have an impact on increased revenues.

I would say that we are accomplishing our mandate in terms of product availability. Over the years, we have assessed what a good range of products is. We continually monitor and communicate with our clients on the liquor side to see if the products they desire are available and our stores are stocked with those products. We have a constantly changing array of product in the regional stores that reflects the mix and desire in those communities.

I checked this morning to see what's happening in terms of the rates of turnover of the types of products and found that we've increased our selections by about 17 percent in the last few years.

With the increase in selection of 17 percent, it is not reflective of how our product mix have changed. I have some statistics — but I won't bring them out today — that demonstrate that we have something like 130 to 140 new products in the year. Any demands that we experience where we are not stocking the product, we take special orders and respond to those clients on a one-off basis.

In terms of lotteries, we are in partnership with other jurisdictions through what is called the Western Canada Lottery Commission — I believe it includes Alberta, Manitoba and Saskatchewan.

Ms. Arntzen: Yes.

Mr. Tremblay: In partnership with those provinces, a range of products have been developed. The newest one — Keno Game — we have started playing in the last few months. They are continuously reviewing what is successful and what isn't.

We are at least as current as our neighbours to the east, as we are providing the same level of service.

Mr. Rouble: Thank you. Actually, there is one more question, and that is regarding the *Liquor Act* review. What impacts will it have on the organization in delaying some of the recommendations on that?

Mr. Tremblay: The *Liquor Act* review was a very significant exercise that provided a lot of information in terms of where Yukoners are being served, in terms of where Yukoners would be interested in a change in the philosophy behind what the current *Liquor Act* provides and a number of changes in terms of the level of enforcement, the type of enforcement, the type of training that we provide for servers.

So it was a very important review that has provided us with a lot of information. We're continuously looking at the material to adjust where we can. There are some areas where adjustments can be made and have been made through policy of the corporation. There are adjustments that have and can be made through regulation, and there are more significant adjustments that would require legislative change. So the *Liquor Act* review is a significant body of information that we're utilizing on an ongoing basis.

Mr. Hardy: Mr. Tremblay, we only have an hour. It's not like the two-hour sessions where we did have a little bit more time. So if you can listen closely to the question and try to pin down the answer, and if you have other information that you really feel we need, you can always ensure that it's sent to us. In regard to that last question, I don't think you answered the question at all, so you may want to review it and get the answer to us later on. Ms. Duncan will now take over.

Ms. Duncan: Thank you very much, Mr. Chair. And I'd like to thank our witnesses this morning for appearing before us.

As my colleague, Mr. Rouble, noted, we have pooled our questions. My questions this morning will focus on the funding and financial matters of the corporation and the commission.

As you're well aware, part of accountability is examining the financial transactions of the entities we're discussing this morning. Now, with the Yukon Liquor Corporation, the budget documents that Members of the Legislative Assembly debate show a nominal vote amount of a dollar, and then also the revenue less expenses, a contribution to the territory's coffers, if you will, of about \$7 million — that was the last budget. In addition to that, the Liquor Corporation tables financial statements in the Legislature. The Lottery Commission essentially tables their financial statements, as well.

I'd like, Mr. Tremblay, if you would briefly outline how the two organizations' financial statements and their funding work in a very brief manner for the public listening to us and who will review the transcripts. These financial statements aren't generally debated in this Legislature. So how are the corporations funded, and how does the public examine those?

Mr. Tremblay: Basically, the funding of both corporations is from their generation of revenues. So there's a different type of process that occurs in the case of liquor within the Legislature. The estimates presented in the Legislature debate more the net profit figure than going on line-by-line for the programs that are offered by the corporation.

As recently as, I believe, somewhere between 1990 and 1992, a change was made in terms of how the Liquor Corporation presented its capital funding requirements. Previously, they were line-by-line in the Legislature, as were departments and, around the early 1990s, that legislative change allowed for net voting of Yukon Liquor.

So that's very different from the departments. It does, though, offer an opportunity for questioning in the Legislature in the event that members choose to get more detail on how the net income amounts are determined, so there is some level of accountability there through the minister in the presentation of the budget, or the revenue component and that revenue vote.

Carrying on with liquor, throughout the year the variance process allows for revisiting the net revenue figure. In the event that it were to go up or down, there's an opportunity to question that.

Upon year-end, there's an obligation in the legislation to table annual reports to the Legislature. My view is the accountability through the annual reports really comes through this process, through the Public Accounts Committee.

There is also, for the taxpayers and the general public, regular information made available by the corporation. We have access of not so much financially related, except financially related for businesses that we deal with — but there is direct access to the board and direct access to the minister.

In lotteries, the estimates are very much a document that is dealt with by the Lottery Commission — the Lottery Commission/board. It does not come forward to the Legislature, except as a component of the territorial government public accounts when they are tabled, and in those public accounts there's a line item that says, "...trust fund revenues from the commission...", so the trusts of the commission are reported in the Legislature, but in the territorial accounts — again, the territorial accounts being a reporting methodology that receives scrutiny through the Public Accounts Committee. And from that perspective I

would say that there is not really a lot of discussion on the budgets or the allocations for the administrative component, which government is involved in, of the Lottery Commission.

Ms. Duncan: In other words, then, expenditures such as the building of a building by the Liquor Corporation and use by the Liquor Corporation would be approved out of the revenues by the minister responsible. And the commission expenditures in their day-to-day operations are dealt with strictly by the commission, and it is just the net amount that is held in trust that is really considered by the Legislature and the Public Accounts. Is that a correct assessment?

Mr. Tremblay: I would qualify it a little in that I would think it would be inappropriate for the commission to proceed with capital expenditures in advance of the approval of the net income tabled in the Legislature, which does allow for some scrutiny if the Legislature chooses. That would go as far as the opportunity to question and get information on anything that impacts on that net income, which would be the capital expenditures you are speaking of.

Ms. Duncan: So in other words the Liquor Corporation could build a building with the minister's approval, but the commission —

Mr. Tremblay: If the budget or the income is approved, yes.

Ms. Duncan: With respect to that, I notice in having a look at the financial statements of both that there is an interesting relationship between the Government of Yukon and the Liquor Corporation and the Lottery Commission and the Government of Yukon. So with respect to the Liquor Corporation, for example, there are different services that the Government of Yukon provides, and there are services the Liquor Corporation provides, and they net each other out. They don't pay one another. I see you nod to that as a correct assessment. And I notice that in relation to the Liquor Corporation, they have about \$1 million or so in assets, did I see — sorry, \$2.878 million. And the Lottery Commission has some \$3 million on their balance sheet. These are assets that are the Government of Yukon's — is that correct?

Mr. Tremblay: The Liquor Corporation's certainly are. A number of the assets that are reflected by the Lottery Commission in trust are maintained by the Yukon government for a specific restricted purpose. Many of those assets, too, are committed.

Ms. Duncan: Thank you. What about transfer of funds between corporations? Have there been transfers of funds between the corporations you're responsible for — say, the Liquor Corporation to the Housing Corporation? Or are there transfers of funds between the Lottery Commission and the Government of Yukon? How much is transferred, and on what occasions is it transferred and who authorizes this?

Mr. Tremblay: In terms of liquor, there are three types of transfers, possibly four, with the main transfer certainly being the revenue generated by the sale of liquor. Those are the markups and the profits of the Liquor Corporation. They're transferred on a regular basis. There's also the transfer of the tax. We basically collect the tax on behalf of the government, so the liquor tax is generated, and we transfer revenues col-

lected for refundable deposits and environmental charges on behalf of the legislation in the Department of Environment.

In lotteries, transfers are — if I were a good accountant, I'd probably use a different term — but what we have there are the commissions we receive for selling tickets on behalf of the Western Canada Lottery Corporation, of which we are a member. Those commissions are held in trust by the Yukon government, and I couldn't tell you the timing of the transfer. If you need that, we can provide it later. The amounts are basically the net profits.

In terms of lotteries, I think our gross sales are \$5.8 million to \$6 million a year, with commissions of \$1.6 million — Carol?

Ms. Arntzen: Yes.

Mr. Tremblay: So that amount of money might be coming back and forth, depending on the adjudications. In liquor, you indicated earlier a net amount of about \$7 million, including taxes.

Ms. Duncan: In other words, then, any — let's use the words "transfer of funds" between the Liquor Corporation to the Government of Yukon is what's required by your mandate and what you're authorized to do — transfer the money from the bottle funds to the Government of Yukon. With the Lottery Commission, that transfer of funds is really to the monies held in trust, because all the profit goes to sporting activities or activities of the commission.

Mr. Tremblay: And the trust also pays for all the costs of administering the commission.

Ms. Duncan: So are there any safeguards in legislation or written in the mandate to prevent any transfer of funds that should not occur?

Mr. Tremblay: Well, on the side of the Liquor Corporation, we have the benefit, again, of the Auditor General's office to review what transpires on a regular basis. So we have an audit. We have numerous procedures on the handling of cash, the handling of sales, the methodologies for accounting. In fact, we have just recently completed a cash-handling review. We are feeling that the transfers between our stores and ourselves are appropriate. So I think that we are using generally accepted accounting principles to ensure the security in that regard.

In the case of lotteries, it is a little more hands-off from the perspective of not having the Auditor General provide the scrutiny. We have an independent audit, as is permitted by the legislation. The firm that has been used is one that is recognized as competent by the Auditor General. We have the opportunity to speak to and review those accounts. As the president of liquor, we have the opportunity to be involved in the procedures and policies that are applied by the administrative side of lotteries.

So we take responsibility to make sure that it's all done right but we don't have the authority for the expenditures.

Ms. Duncan: Okay.

Finally, with respect to the financial position and the future of these two organizations — looking at the balance sheets and the financial statements and knowing that it is highly unlikely that liquor sales or Lottery Commission sales would cease alto-

gether unexpectedly — are there specific financial challenges facing these two organizations?

Mr. Tremblay: There are. There is a couple of what we would call risks or things that we have to watch for. Both of these organizations are involved in activities that are very socially dependent. Any shift in social attitude could have a significant impact on our ability to meet our revenue-generating responsibilities or mandate. So prohibition on gaming would be a very significant impact on our sporting and our recreational community. On the liquor side, we have similar types of activities. Health information or anything that comes out that would indicate that beer would be better for you than wine or spirits or those types of things have a huge impact on the product distribution and what we might sell. Trends on what's socially acceptable to youth versus what's socially acceptable to our mature population can have an impact on the bottom line because we have different markups for products with higher alcohol and that type of thing. So the impacts that we have to watch most are the things happening socially.

Ms. Duncan: Thank you very much for your questions and for your very forthright answers. Mr. Chair.

Mr. Hardy: Thank you. The next questioner will be Mr. Fairclough.

Mr. Fairclough: Thank you, Mr. Chair. I will be brief in my questions. You have touched a little bit on it already in your previous answer. It's in regard to risks. I understand the Liquor Corporation and the Lottery Commission are quite different from the Housing Corporation or the Yukon Development Corporation. But all decisions and mandates and direction that the corporation is going in involve a certain amount of risks. So I would like to ask: are they risk that the Yukon Liquor Corporation and, say, the Lottery Commission is currently facing?

Just to speed things up, can you tell us what steps you have taken to mitigate those risks?

Mr. Tremblay: Some of our risks relate to the mix of services we provide, and one of the services I haven't addressed to any extent here is the territorial agent services in the rural communities. We are able to provide those services as a result of being there because we have liquor stores in some of those communities and the service is funded through the Liquor Corporation.

As we see population in rural Yukon not maintaining pace with the growth of population that we have in Whitehorse, the feasibility of maintaining those stores is impacted upon, so a risk is, as population shifts, that we could have a more difficult time providing a business case for various services that we're providing. We are monitoring that and ensuring that we can continue to provide the non-specific mandate programming and services, even if the justification for those is not as strong.

Another risk in that regard, again to the territorial agent services, is privatization. In the event that a different mechanism for the distribution and sale of alcohol is selected, it could have huge risks on our ability to deliver other services through the mechanism, and it could have risks on the type of distribution, the attitudes that are available in the retail locations.

So, we feel that privatization is a social risk in terms of becoming more aggressive in marketing versus being a passive provider of the products.

Other risks are clearly cash management. The lotteries organization has some 41 outlets distributed throughout the territory. Liquor has six stores in the communities. In just moving fairly valuable product around — it's also an attractive product; there is a risk of inventory management in all these cases. There is a risk of cash handling. We have mitigated against some of those through product insurance when it is in the hands of the transfer folks so the risk is covered, and stock is insured.

We also have some risks in terms of the assets that we maintain. We have stores and we take steps to ensure that fire risks and safety are maintained.

Mr. Fairclough: In regard to privatization — it is not happening right now, but how is the corporation dealing with that?

Mr. Tremblay: The corporation basically focuses on its mandate. The current mandate is one that has us providing sale and distribution — responsibility for the product. We are not involved in really worrying about privatization, except to the point that we feel if we are providing the level of service that Yukoners demand, if we are providing product information and our clients are happy, then there would be little demand for a change of that magnitude.

Mr. Fairclough: Thank you.

Mr. Hardy: The next questioner will be Mr. Hassard.

Mr. Hassard: Thank you, Mr. Chair. Thank you to the witnesses for appearing before us this morning as well.

I have several questions in the area of planning. A simple question: does the Yukon Liquor Corporation have a business plan?

Mr. Tremblay: I, having been here to speak to housing the other day, was worried that you'd be asking me this question. So I have really to talk at the 60,000-foot level on a business plan for the corporation. That is, we have a direction that we are going in. That direction is one that was established through the governance legislation when the Liquor Corporation, Lottery Commission, housing and community services were brought together. Really, the business plan, or the focus — the direction that the organization is taking — is one that looks at community responsiveness. So we are working toward restructuring the Liquor Corporation. We have organized it in such a way that we feel community responsiveness will be facilitated. We have organized it in such a way that we now have the distribution part of the organization separate from the retail part of the organization. And it is allowing better partnerships with the other parts of our organization so that we can work toward enhancing community capability.

Mr. Hardy: I have to remind both sides — because I have seen a lot of preamble to even the questions when we have a very short period of time — that I don't think we have the luxury to have that preamble in all questions. If at all possible, could the question be asked and answered? If you feel more detail needs to be supplied, answer as briefly as you can and ensure that a written response is given.

I also would like to recognize that we are approximately 10 to 12 questions away from finishing here. We have, if my eyesight is right, about eight minutes left. I think we will proceed right until we finish answering the questions, if everybody is comfortable with that.

Mr. Hassard: How does the corporation prioritize its objectives?

Mr. Tremblay: Quite simply, the legislation is very clear for both corporations. It's not quite the same as some of the program areas where you have to think for a long time. Our objectives are to make product available, and that's our priority.

Mr. Hassard: My final question is: do the budgetary allocations of the corporation match its priorities?

Mr. Tremblay: Yes.

Mr. Hardy: Mr. Fairclough.

Mr. Fairclough: I had some questions in regard to performance, similar to the ones that other corporations have been asked to. Given that your entities, both the Lottery Commission and the Liquor Corporation, have a wide variety of clients, do you set specific performance expectations at the beginning of each year?

Mr. Tremblay: Very broadly — I can't speak as well for the Lottery Commission, as the performance expectations there are really shared with our partners through the Western Canada Lottery Corporation, so my response will be pretty much tied to liquor.

Our performance at the Liquor Corporation is very much dependent on past experience. We try to determine, through the economic forecast provided by the Department of Finance, what will be happening in the various communities, depending upon economic activity — whether mines are starting or closing, and those types of things.

So we establish whether we can expect increases or reductions and to what extent.

The more important performance type of measures that we're working on are the ability of our regional stores or locations to meet the new challenges, and we're trying to become less autocratic and more open in terms of service delivery.

Mr. Fairclough: Okay, thank you. You must keep track of this through a report. Do you measure this against these expectations at the end of each year?

Mr. Tremblay: In fact, Mr. Steele has just returned from Montreal where he was meeting with our colleagues from the other jurisdictions. In that environment we are constantly comparing our performance levels in terms of cost of sales and those types of retail measurements with other jurisdictions. So, it is biannual, pretty much, that we get together and see what's happening.

Mr. Fairclough: Thank you. You said that cost of sales is one example. Can you give us a couple more examples?

Mr. Tremblay: We have to be cautious when we compare with some of the other jurisdictions because the markups are really not something that we as the retailers have opportunity to work on, but the kinds of statistics that we use usually involve how much staff we use, what our comparisons in costs are, what our transportation costs are. It's all tied to being effi-

cient at getting the product to the individuals. We try to make sure that we are doing it as efficiently as possible.

Mr. Fairclough: Thank you. How do you know the corporation's assets are being utilized to their fullest potential, and can you give us an example?

Mr. Tremblay: Our assets are primarily made up of buildings where we provide our stores. Utilization to the fullest — an example I might take is Faro. We have excess capacity there in terms of floor space. We are operating the facility in an economic climate that doesn't allow a lot of other opportunities for leasing. We see ourselves as having a social bent, and we are making that space available to a local organization involved in economic opportunities and creating a better business climate in Faro.

So although we can't get a financial return on it, we are hoping that by allowing an organization in that may be able to stimulate activity, eventually it could have a benefit.

Mr. Fairclough: Thank you. When the ban on smoking in bars comes into effect next year, what impact will it have on our liquor inspectors? I understand that this is a municipal bylaw.

Mr. Tremblay: Yes. I'm not sure that it would have an impact on our inspectors, as long as the clientele remains pleasant.

Mr. Fairclough: Okay. Well, how does the Liquor Corporation ensure that its inspectors are able to do their job effectively with the influence or interference from owners of licensed establishments?

Mr. Tremblay: I would say that we have had a positive experience with licensed establishments, and they do not interfere any more with the activities of a liquor inspector than they do with the RCMP. There seems to be a level of respect that comes with the position. Although any compliance or enforcement position has the potential for conflict — as recently as two weeks ago, rather than seeing conflict between inspectors and establishments, we had a meeting with the B.C. and Yukon Hotels Association to talk about just that. So we try to work out any issues by dealing at the higher levels, not on the site.

Mr. Fairclough: Thank you very much for your answers.

Mr. Hardy: Okay. I'll open the floor for any questions. Do we have any? Seeing none, I would like to thank you very much for once again attending, Mr. Tremblay. I know a lot has been on your plate this week, with the corporations you have had to represent here. I'd like to thank the other witnesses for attending, as well.

This set of hearings will be closed.

Mr. Tremblay: Can I make one comment?

Mr. Hardy: Yes, you can.

Mr. Tremblay: I should have made a comment the other day, and I mentioned it to our colleagues from the Auditor General's office. I think that the accountability, which this is about, is highly enhanced by the participation of the Auditor General. I know that in my previous experience, we have not always had the positive relationship with the Auditor General's office that we currently experience. I would like to thank them for allowing us the opportunity to be proactive, to work with

them in advance of issues coming up as opposed to having them telling us about them in the future. So I would just like to put on the record that I really appreciate their assistance.

Mr. Hardy: Thank you very much. And we actually made it in an hour.

Recess

Mr. Hardy: I will now call this hearing to order. The Committee would like to thank the witnesses from the Yukon Hospital Corporation for appearing before us and for submitting the written submission to our request. Today, I'd like to thank the following witnesses for appearing: Mr. Ron Browne, Chief Executive Officer, Whitehorse General Hospital; Fiona Charbonneau, Vice-Chair, Board of Trustees; and Donna Hogan, Director, First Nations Health Program.

I'll introduce the members of the Committee and its advisors. The Committee members are: me, Todd Hardy — I'm the Chair; Patrick Rouble is the Vice-Chair; Mr. Peter Jenkins, Ms. Pat Duncan, Mr. Eric Fairclough and Mr. Dean Hassard are Committee members.

The advisors from the Auditor General of Canada are Ron Thompson — Roger Simpson has just had to leave to catch a flight, but he has been in attendance up until this session — and Eric Hellsten.

The Clerk to the Public Accounts Committee is Floyd McCormick.

The Public Accounts Committee is established by order of the Legislative Assembly. We are a non-partisan committee with a mandate to ensure economy, efficiency and effectiveness in public spending — in other words, accountability for the use of public funds.

Our task is not to challenge government policy but to examine its implementation. The results of our deliberations will be reported back to the Legislative Assembly.

The Public Accounts Committee was formed in 1980 and reported annually to the Legislative Assembly until 1991; however, this committee has issued only one report since then.

This current committee intends to hold hearings and conduct investigations into the operations of government departments and entities in pursuit of improving accountability.

Because of the Committee's inactivity, there is not much corporate knowledge and experience in how the Committee operates. I will lay a few ground rules on how the Committee will operate.

The Committee sent out three questions to selected government entities regarding that entity's mandate and how that mandate is being fulfilled. The entities have already responded in writing. The questions and responses form the basis of these hearings that will take place over the next three days — actually, we're on our last day of hearings.

Mr. Browne will be invited to make a brief opening statement. Then members will ask questions. I ask that questions and answers be kept brief and to the point so that we may deal with as many issues as possible. We only have an hour with the Yukon Hospital Corporation.

At the end of the hearings, the Committee will prepare a report of its proceedings and any recommendations that it makes. This will be tabled in the Legislative Assembly, along with a verbatim text of the hearings.

It is our intention to hold regular meetings in the future that will deal with both new issues and follow up on previous hearings.

We will now proceed to the opening statement.

Mr. Browne: Thank you for this opportunity to provide more information to the Public Accounts Committee, in addition to our written submission.

Our written submission of January 23, 2004 explains the intended broad mandate of the Yukon Hospital Corporation as stated in the *Hospital Act*. This mandate is similar to that of health authorities that have been established in most provinces.

Currently, the Yukon Hospital Corporation's role is limited to acute care services. The hospital also provides a few other programs such as diabetes education, screening mammography and continuing outpatient therapies. Although Yukon was one of the first jurisdictions in Canada to pass legislation providing for the integration of health services, it's now one of the last without such health authorities.

Within its current role of acute care services, Whitehorse General Hospital is continually working with Health and Social Services to identify opportunities to provide more services for Yukoners. Some examples are cataract surgery, diabetes education, CT scanning and knee-replacement surgery.

To ensure that we are providing quality patient care, Whitehorse General Hospital is accredited by the Canadian Council on Health Services Accreditation and it participates in patient satisfaction surveys with other similar hospitals.

The First Nations health program is the envy of other First Nation people across Canada and provides a valuable support to First Nation patients.

Both Whitehorse General Hospital and the First Nations health program have had operational reviews within the last seven years. This provides assurance that taxpayers' dollars are being used effectively. Our satisfaction surveys and other research show that Whitehorse General Hospital is highly regarded by patients and Yukoners in general.

Mr. Hardy: Thank you, Mr. Browne. I will start off with the questioning today.

So the first question that the Committee has is: what is the governance structure and relationship between the Yukon Housing Corporation and the government itself?

Mr. Browne: The governance structure is —

Mr. Hardy: The hospital.

Mr. Browne: You mentioned housing again, right?

Mr. Hardy: Did I?

Mr. Browne: There is even a Ron Brown at Yukon Housing, which doubly confuses it.

Mr. Hardy: Yes.

Mr. Browne: The board of directors in about 1995 chose the Carver model of policy governance for its role as a board of trustees. I think it would probably be good to ask Fiona Charbonneau to talk about that as a trustee.

Ms. Charbonneau: The policy governance to us provides a clear system to help the board be accountable in their position of trust. The process we follow is to set parameters for acceptable organizational performance and for itself by establishing board policies. Putting these policies in place allows the board to delegate the achievement of the ends to the CEO, Ron Browne. As trustees of the board, we can be assured that the ends are being achieved and that the manner in which this occurs does not exceed the board's boundaries of prudence and ethics. And we have developed four different types of policies, and we are certainly willing — we'd be happy to share that manual with you.

One of the ones that I want to point out today is that we have executive limitations. These are the boundaries within which the board allows the CEO to make further decisions about means and the way things are done. We have ends. We have a governing process for ourselves, and we have board and CEO relationship policies. We can certainly share that manual with you and provide that. Would that be agreeable?

Mr. Hardy: Yes.

Ms. Charbonneau: Okay.

Mr. Hardy: Thank you very much. What's the relationship between the Yukon Hospital Corporation and the territorial government?

Mr. Browne: The Hospital Corporation is an independent, non-profit health care organization in the Yukon. Its trustees, which total 14, are all appointed by the Minister of Health and Social Services. But it's not a Crown corporation and it's not an agent of government. It's an independent entity.

Mr. Hardy: Thank you.

Are there any specific changes being considered within the corporation or the board that would impact our discussions today?

Mr. Browne: Changes in terms of —

Mr. Hardy: Do you foresee any changes.

Mr. Browne: Well, the mandate of the corporation, as spelled out in the *Hospital Act*, has not yet been fulfilled, so the board has, again, expressed its support for that role as spelled out in the act. It did so in a motion in December of 2002.

Any moving by the government in that direction to allow the Hospital Corporation to fulfill that mandate would certainly have an impact.

Mr. Hardy: Given the recent developments in Canada and the U.S., stimulated by the *Sarbanes-Oxley Act*, boards and directors are increasingly under greater scrutiny over their qualifications and overall performance. Can you please tell the Committee what criteria you use for the selection of your board members and what training is provided to them to help improve their skills after they've been appointed?

I know you've already mentioned that the board is appointed by the minister so, following that.

Mr. Browne: The act spells out the organizations that will submit nominees to the minister for consideration, and so that includes four from CYFN, for example, one from the city, two from the municipalities outside of Whitehorse, two from the government itself and three from the public. There's also a representative from the medical staff and another representative

from hospital staff. So it's from those nominees that the minister chooses a trustee. In terms of the training provided, I would ask Fiona to talk about the training.

Ms. Charbonneau: There are new board members coming on who often aren't familiar with the governance process, so the chair will take the time to explain that to new trustees.

We also have, on an annual basis, what is called a "coach". Jannice Moore provides us with governance process coaching. We invite her to train with us and provide training for us one day, if not two days, a year. She sits in on one of our meetings to make sure that things are occurring. We also take that opportunity to invite other organizations in Whitehorse or in the Yukon to actually join us in that training. So we feel we are, on a regular basis, providing training to previous, current and new board members.

Mr. Hardy: Just to follow up on that, Fiona, you are saying that when you put on this training, you open it up also to other organizations that have board members?

Ms. Charbonneau: That is correct. We actually send out an invitation letter. I think on the last two sets of training we had individuals from the College join us. We had individuals from the Yukon Family Services Association in one of the training sessions; I think it was the year before last. So, certainly we do provide that and it's a one-day session. We have a training manual that we go through and work with board members.

Mr. Hardy: That's very good.

What steps has the board taken to advise its directors of liability?

Ms. Charbonneau: Is that a question for me or for Ron Browne?

Mr. Hardy: Whoever wishes to answer it.

Mr. Browne: The *Hospital Act* does protect the trustees of the Hospital Corporation from liability, provided that they are acting within the law and not negligent. In addition to that, the hospital carries directors' and officers' liability insurance. So the trustees know that they are protected in that way.

Through the orientation program and through the extensive time that has been put in to develop these governance policies — there would probably be 30 policies in total that the board has developed to guide the trustees and to stay out of trouble that way and help keep the CEO out of trouble as well.

So those, I think, offer good protection to the trustees.

Mr. Hardy: Thank you. I'm going to turn the questioning over to Ms. Duncan.

Ms. Duncan: Thank you very much, and good morning to the witnesses. Thank you for appearing before us.

The Public Accounts Committee pools our questions. So that's why we're each asking questions in different areas. They are questions that we have put together collectively with the assistance of the Auditor General.

My questions are focusing on mandate. You've done a very able job in providing us with background information on the Yukon Hospital Corporation's mandate. My specific question — and you touched on it briefly in an answer earlier, Mr. Browne — is: to what extent currently is the Hospital Corpora

tion accomplishing its mandate? And you mentioned a November 2002 motion of the board. Could you elaborate on that, please?

Mr. Browne: Well, currently, within the mandate that is spelled out in the *Hospital Act*, the government has limited the corporation to its role in acute services. So within that role that has been defined by the government, I think it is fair to say the hospital is doing an excellent job in fulfilling that mandate.

At the time the planning for a broader role was underway, which was 1995-96, the minister of the day said that the operation of the devolved programs by Health and Social Services was a temporary arrangement and that later on further steps would be taken to have the Hospital Corporation carry out those programs. I guess it's fair to say it has been a very slow process for that to happen. That hasn't happened yet. But the board is very much aware of its intended broader mandate, and so, as I say, it has again passed a motion as previous boards have passed motions saying that they believe that that is in the interests of Yukoners to undertake that kind of broader mandate, and they are willing to take that on.

Ms. Duncan: So the broader mandate includes, for example, the operation of such facilities as Copper Ridge, Macaulay Lodge or community cottage hospitals, as I understand it. Could you fulfill that broader mandate within the existing *Hospital Act* or does it need to be changed?

Mr. Browne: The original *Hospital Act*, passed before the transfer in 1993, limited the Hospital Corporation to just acute care services but, in 1995-96, in preparation for this broader role, the act was changed to add residential care, continuing care, rehabilitation services and home care services. So that has been in the act since 1995, I understand.

Ms. Duncan: It has not occurred, although there is a board motion saying that the board is prepared to move forward in this direction.

Mr. Browne: That's right.

Ms. Duncan: Thank you for clarifying that for me and for the public record.

In terms of the interpretation of the mandate, in your view, who does the Hospital Corporation exist to serve? In relation to the mandate, who is your client?

Mr. Browne: Yukoners. The board, in its governance policy role, is taking further steps to link with its owners, to Yukoners in general and, for example, it's considering focus group discussions with people in communities to be sure the board is aware of what needs to be done to meet their needs. So I think it's fair to say the board would see that as their primary reporting responsibility, but we do have close working relations with Health and Social Services. We meet with Health and Social Services staff, probably on a monthly basis, on average, and have discussions of various issues, and the chair meets with the minister, from time to time, as well.

Ms. Duncan: In outlining the powers of the Yukon Hospital Corporation, I note that it includes determining the qualifications for and the privileges attached to an appointment of medical staff. Of course, there has recently been a public discussion around granting hospital privileges to Yukon doctors.

What impact does the current situation have on the board, and will the streamlining of granting hospital privileges have an impact, in your opinion, on the turnover rate of doctors in the territory?

Mr. Browne: Well, I think it's fair to say at this point that the hospital has sufficient doctors and our staff has been working on this issue for a number of years. We have sufficient doctors to cover our emergency department. We have an arrangement of what we call "doctor of the day" for patients who have a family doctor without hospital privileges where someone else will take responsibility for that patient in the hospital.

So in terms of the operation of the hospital, we have sufficient doctors. I think what you're hearing about in terms of insufficient doctors is being able to see them in their offices, and that's a broader Health and Social Services responsibility.

Ms. Duncan: Correct; however, the issue for those doctors has been the granting of hospital privileges and the hospital has a role to play in this, as outlined in legislation. So in the Yukon government working with the hospital, is streamlining of this issue possible? In your view, will that enable the Yukon to retain a larger number of physicians?

Mr. Browne: In terms of hospital privileges, the trend across Canada is that more and more family physicians don't want hospital privileges. So in larger cities and many other communities in Canada, hospitals have had to establish a new specialty that they call a "hospitalist", and it's the family practitioner who only works in the hospital because family practitioners don't want to come and see their patients in hospitals; they don't ask for hospital privileges. So I'm not sure that all doctors want hospital privileges, even in the Yukon.

Given that, yes, the medical staff has streamlined its process — that has been in place now for about six months. I think it is important to understand that people can readily identify that there are medical specialists, like surgeons and radiologists and so on, but even within family practitioners there is a wide range of skills. So in the past, the medical community in Whitehorse has been able to recruit physicians with that broad range of skills, who have the skills to care for patients in emergency and ICU as well as on the regular nursing units. That is no longer the case, and so we have made provision for that to allow doctors who only are qualified to provide care in the regular nursing units to have privileges as well and do that. Then other people take the care in ICU or emergency. So that is in place.

Ms. Duncan: Part of the mandate, if you will, is the compliance with the *Languages Act*. Can you outline what core programs or activities are allowing the corporation to fulfill that legislative requirement of compliance with the *Languages Act*?

Mr. Browne: The hospital receives separate funding from the Bureau of French Language Services to provide a French language coordinator in the hospital. That's a half-time position. There is ongoing discussion among the hospital, the francophone association and Health and Social Services about the need for additional federal funding to provide a broader range of French language services. That is, I guess, an ongoing issue with the federal government.

Our position as a hospital is that the transfer agreement, spelling out the things being transferred with the hospital, did not include French language services. So that remains a federal responsibility, and we're trying to get that sorted out with the government.

Ms. Duncan: Just briefly, my last question then: are there specific core programs or activities that allow the corporation to carry out its mandate, other than the one I just mentioned? For example, First Nation health immediately comes to mind with the presence of Ms. Hogan. Are there others?

Mr. Browne: We have normally just three contribution agreements with the government: one for the broad hospital operation, the other for French language services and a third for the First Nations health program. So, those are the core programs, I guess, that we have to offer.

Ms. Duncan: Thank you.

Mr. Hardy: Mr. Rouble will be the next questioner.

Mr. Rouble: Good morning and thank you very much for appearing before our panel.

As we only have an hour today, we are only able to briefly touch on several very broad topics. So far, I would like to thank you for your answers, and I look forward to hearing the answers to these questions.

I will be asking questions regarding funding and financial matters.

To begin, how are the operations of the Hospital Corporation funded?

Mr. Browne: The hospital receives 90 percent of its revenue from the Yukon government through a contribution agreement. Then, as I just mentioned, there is a separate contribution agreement for the French language services and a third for the First Nations health program.

Mr. Rouble: How is that contribution agreement negotiated? What level of detail does it entail?

Mr. Browne: We provide detailed monthly reports to Health and Social Services throughout the year and detailed budget information to allow them to assess the value that they are getting for the money being spent. That is discussed and explained and reviewed in detail and justified.

Mr. Rouble: Who has the responsibility over that budget allocation then?

Mr. Browne: Making the government decision, do you mean, on the dollar amount, or —

Mr. Rouble: Well, is the government responsible simply for an overall total dollar amount, or does the government have control over certain allocations, or is that a responsibility of the corporation?

Mr. Browne: Most hospitals in Canada and the Whitehorse General Hospital are funded on what's called a global budget basis, and that means there's a total amount of, say, \$20 million that's transferred to the hospital to provide for the care of Yukoners. There's often a misunderstanding by the public that we're paid on a per diem basis and we're not for Yukoners. We do charge on a per diem basis for other Canadians and for non-Canadians but, for Yukoners, it's what's considered a global budget.

So, throughout the year, if there needs to be a change in expenditure from one item to another, the hospital has — and I, as the CEO, have — the authority to make that change. We do discuss and get approval from Health and Social Services before undertaking any new programs that are going to have operating cost implications or purchase a piece of equipment, like a CT scanner, that would require additional operating costs. All those are discussed and approved before being undertaken.

Mr. Rouble: The day-to-day decisions on the allocation of resources are left up to the Hospital Corporation.

Mr. Browne: That's correct.

Mr. Rouble: Do you have any benchmarks or performance standards that you use to measure your performance to determine how well you're doing with your budget allocations?

Mr. Browne: We produce monthly financial statements, comparing our actual expenditures to budget throughout the year, and that's on a very detailed basis. In terms of benchmarks with other hospitals, an important benchmark is the one that was included in the written submission: the comparison of the length of stay. We need to know that we're treating patients as effectively as we can and having them able to leave the hospital when safe and have a bed for another patient.

The operational review in 1997 compared the whole hospital in detail to benchmarks from other hospitals, and as a result of that operational review, there was a reduction of 12 full-time equivalent staff in the corporation. It is unfortunately difficult to get financial performance comparisons. The Canadian Institute of Health Information is working to develop that, and I am the Yukon representative on the committee doing that. We are making progress, but at this point, getting valid and reliable comparisons is — we're not there.

Mr. Rouble: One of the tasks before this Committee is ensuring that government and the Yukon people are getting value for their expenditures, that operations are being carried out effectively and efficiently and economically. How would you characterize the operations of the corporation? Is it being carried out in an efficient and effective manner?

Mr. Browne: I think the short answer is yes. The first thing is to be sure that we are doing things effectively, which means quality. We put a lot of effort into quality improvement in the hospital. We have the seven teams that we have identified in the submission, five of those dealing specifically with patient care. We also have a manager of quality improvement and risk management to ensure that those teams are making good progress and identifying opportunities for improvement. So, as I say, it is important to make sure that what you're doing is needed before you try to make that efficient. In terms of efficiency, patient care or patient departments such as lab and medical imaging have national workload measurement systems. When we compare ourselves to other hospitals, our productivity is good, as well. So we believe that we are both efficient and effective. And we get very good feedback from patients, from student doctors, from student nurses working at our hospital that we're doing a good job.

Mr. Rouble: How would you characterize the financial position of the Hospital Corporation at this time, and what do you expect it to be in a year from now, say?

Mr. Browne: For the current fiscal year, we are running slightly overbudget but we are within one percent of budget, I guess. With a 12-month period and the kinds of changes that can happen in patient needs and that sort of thing, it's difficult to be any more precise than that.

For the coming year, we've been given a total amount to budget for and we have prepared our budget on that basis. Not allowing for any new programs, we expect to be able to balance the budget for the 2004-05 fiscal year as well.

Mr. Rouble: Thank you. Finally, what financial challenges are facing the Hospital Corporation now and in the near future?

Mr. Browne: Well, the main challenge is meeting the growing health care needs of an ageing population. The Yukon, as a population, has only half the number of people over 65 that most other provinces in Canada have, but still, it is growing. So it's a hope on our part that healthy lifestyle programs, such as active living, non-smoking and reduced drinking and that sort of thing, will have an impact. It makes a huge difference in the health of individuals if we can get more individuals doing that. That's going to be the biggest impact on what the hospital needs to provide in the future.

Most of the new programs that I mentioned are not a net increase in costs for the government when they happen. These are normally programs where people have to be sent to B.C. or Alberta for the treatment. By being able to provide it in the Yukon it is sometimes a savings, sometimes a bit of an increase in costs, but not a major increase in costs. So we are working to continue to do more in the Yukon and that will hopefully provide some savings overall as a result of that.

Mr. Hardy: Mr. Hassard.

Mr. Hassard: Thank you to the witnesses for appearing before us this morning.

I have several questions on the area of risk. What are the key risks that the corporation is currently facing?

Mr. Browne: Are you thinking of financial risks?

Mr. Hassard: It could be financial, or whatever comes to mind.

Mr. Browne: Well, the key risk is making sure we provide good quality care. That's the most important thing. I've mentioned the things we do to improve our processes and make it a safer hospital for patients.

In terms of financial risk, being on a global budget we don't have a revenue risk, and that's very significant compared to a normal business. So if we were, in fact, funded on a per diem basis for the care of Yukoners, then we would have a major revenue risk there that if active living works, then we would be in financial difficulty because they wouldn't be coming to hospital and we wouldn't be getting the per diem rate.

So, we're not in that situation; we don't have a major revenue risk. The amount we recover from other Canadians and from patients from other countries can vary by \$100,000 a year,

I guess, but again, in terms of our total budget, that's not a major disaster.

So the financial risk is more on the expense side. If we had had a case of SARS in the Yukon and had to take even more extraordinary precautions, or if we have a pandemic throughout the world and it impacts us, those kinds of things would be the major expense-side risk, where we would need to incur more costs. I think that pretty well covers it.

Mr. Hassard: You've answered some of it, but what steps have you taken to mitigate that risk?

Mr. Browne: Well, in terms of the quality of patient care, yes, I've mentioned the things that we're doing there. We do support the healthy living activities that the government has undertaken through other means. So we do try to encourage people, when they have been in hospital, to rethink their lifestyles, if lifestyle has been a factor to their illness. That's, unfortunately, often the first time that some people realize that their lifestyle does have an impact.

So undertaking this screening mammography is another way of identifying illnesses earlier. Also, the diabetes education is very important because that can be a progressive chronic disease that becomes serious — even more serious. So we try to help people to manage themselves well in that situation as well.

Mr. Hassard: Very good. Thank you.

Mr. Hardy: Thank you. Mr. Fairclough?

Mr. Fairclough: I would like to thank the witnesses for coming forward before the Committee. I have a few quick questions in regard to planning. First of all, does the corporation have a business plan?

Mr. Browne: Well, we call it program synoptics. We ask each department to develop a plan for their coming year, for what things they need to do to improve throughout the coming year.

So we have that as the first step in putting together a budget to develop the financial figures that area needed to support those plans. That, then, is submitted to Health and Social Services for discussion and approval.

Mr. Fairclough: How does the corporation then prioritize its objectives?

Mr. Browne: We look at reports on what have been identified as needs of Yukoners and look at what we can do to make improvements on any of those measures of health that are available from those studies. Again, we also look at what programs we can bring back to the Yukon that are being delivered elsewhere. We are usually able to get the funding for that. For other programs it can be more difficult, but we look at the various reports to see where the biggest need is.

Mr. Fairclough: Thank you for that answer, and you also mentioned that the corporation is slightly overbudget right now, by one percent, although you didn't give us any details on it. So I'd like to ask: does the budgetary allocation of the corporation match its priorities that you just laid out?

Mr. Browne: I think it's fair to say it does, yes. I think we are meeting the health care needs of Yukoners as it has been defined we should be doing at this point in time — yes.

Mr. Fairclough: Thank you very much for your answers.

Mr. Hardy: Okay, seeing no more formal questions, I open the floor to general questions.

Mr. Hassard: Yes, the last area of focus for us was performance, so I have some questions in that regard.

Given that your entity serves a wide variety of clients, do you set specific performance expectations at the beginning of each year?

That could include staff recruitment or expansion of services.

Mr. Browne: Yes, through what we call the synoptic report that each department develops, they are projecting the workload that they expect, the volume of patient services they will be asked to deliver, and the staffing that is needed for that. As I mentioned, when additional staffing is required, we look to other hospitals for some benchmark information to make sure we are still in line. If we are, then we try to find the money for that.

Mr. Hassard: Do you measure and report against these expectations at the end of the year?

Mr. Browne: The statistics are reported on a monthly basis, as well as the financial information. So, yes, at the end of the year, we can see what has happened in terms of the volume of statistics or the workload in the major areas of service and also then compare the budget for the department. We're not able to break the expenses within the department into various programs, so we wouldn't be able to say how much ultrasound costs compared to CT scanning, necessarily, but we do compare the overall department budget and statistics at the end of the year.

Mr. Hassard: How do you know that the corporation's assets are being utilized to their full potential, and could you give us an example of that?

Mr. Browne: Well, it's a busy place, I guess, is the short answer. The hospital, as a total building, is built for about 55 beds. We're currently operating 49. So there is some unused bed capacity there. But within that, with the 49 beds that we have, we on average are within reasonable limits throughout the year. But we have some extremely busy periods, and it is usually this time of year. It seems January, February, March — flu and other things result in a busy time for the hospital. So there are times when we need to open those additional rooms for patients on a short-term basis.

So, overall, I think there is some unused capacity in terms of the number of patient beds we could operate but, other than that, all our departments are very busy. Our lab, our imaging, pharmacy, therapies are working fully to the capabilities of the staff.

Mr. Hassard: We were also curious about the CT scanner. Is it in full operation? Are there enough trained operators?

Mr. Browne: Yes, it's in full operation. When we acquired it, we estimated it would need to be operated about half-time, have a half-time person to operate it. We have that. We have a trained person operating it, and we're undertaking to train a second person. So, yes, it's working very well. We're

receiving letters of thanks from physicians for the tremendous value it has been to them in helping Yukoners with their health.

Mr. Hassard: Do we, at any time, send people outside for CT scans, or is it all pretty much handled here?

Mr. Browne: As far as I know, there's nothing we would send someone outside for a CT scan for — no.

Mr. Hassard: All right. Thank you very much.

Mr. Hardy: Thank you. I'll open the floor to follow-up questions. I'll start with Ms. Duncan.

Ms. Duncan: Thank you, Mr. Chair. I'd just like to go back to the issue of core programming, in particular the First Nations health program. As I understand it, Mr. Browne said the hospital was funded 90 percent by Yukon and 10 percent. Is the First Nations health program funded by Canada?

Mr. Browne: The First Nations health program is funded 100 percent by Yukon.

Ms. Duncan: By Yukon?

Mr. Browne: Yes.

Ms. Duncan: A few years ago, the First Nations health program was recognized by then Premier Harris as leading in the country. I wonder if we've exported our expertise in this. Has Ms. Hogan helped other hospitals set up a similar program?

Ms. Hogan: Yes, certainly I have responded to many requests across Canada. I did a site visit to the Regina General Hospital in June and they have had programming — not to the same extent as us — and they wanted to just keep me there with them. But, certainly, I just had a call from northern Ontario where transfer is happening and asking that we send them information — and I freely share whatever when it is within my limits to do that.

Ms. Duncan: Thank you very much.

Mr. Rouble: Mr. Browne, you touched on this earlier when you were discussing risks. My question is: how prepared is the hospital to face an emergency?

Mr. Browne: Well, there are various emergencies that can happen. We certainly do have a disaster plan for a plane crash or a bus accident or something like that. We participate in community-wide practices when they occur. With the other risks such as SARS, we rely a lot on the expertise of the Medical Officer of Health for the Yukon to assist us with that but, within the hospital, we have very strict infection control procedures that are important when there is a SARS-type event and we are proud of the fact that we don't have what is called MRSA — methicillin resistant *staphylococcus aureus* — in our hospital.

So, it's common for people coming back from Vancouver or other city hospitals to have acquired this infection and when they do come back, we put them in isolation until we are sure that it is under control and safe.

We also monitor our infection rate from surgery. It's well below the accepted norms, so we have a safe hospital from that point of view. We have procedures in place to deal with infections with universal precautions if someone does need that care in the hospital.

Mr. Rouble: Given that emergencies, just by their definition, are difficult to be prepared for, how confident are

you that the hospital could respond to a foreseeable emergency such as a SARS outbreak or another disease — something that we're hearing about in the news these days. Should we as Yukoners feel confident that the hospital is prepared and has plans in place to deal with foreseeable emergencies, or should we lose sleep at night?

Mr. Browne: You should feel safe that we do. Specifically with the SARS concerns, last spring we were the first hospital outside the Toronto area to be putting a security guard at the door asking people as they entered the hospital whether they had been at risk or had any symptoms, and we protected the hospital that way. So yes, we have those plans in place, and we are well protected.

Mr. Fairclough: Mr. Chair, I'd like to ask some questions in regard to finance.

Last year the hospital installed an electric boiler system to take advantage of the Yukon Energy's off-peak power sale incentive program. How much did that system cost, and how much has it saved the Hospital Corporation so far?

Mr. Browne: I think the electric boilers were put into operation in the fall, so we only have four or five months dated to actually track the savings. The estimates are indicating a three-year payback for that investment. The cost of the boilers installed in the hospital was about \$700,000. In addition to that, there needed to be a special power line and transformer installed, and that was over and above that amount, I think.

Mr. Fairclough: Thank you for that. Does the Hospital Corporation pay for its own energy bills, or does the government pay for a portion or all of that?

Mr. Browne: We have our own contract for the supply of energy: electrical, propane and fuel. Our prices are very much in line with what the Yukon government is able to get, but we do contract for that separately.

Mr. Fairclough: Thank you for that. What impact would it have on the corporation's financial picture if this program were discontinued?

Mr. Browne: Well, at this point, our agreement for the secondary sales payback is that we would keep 50 percent of the savings. I'd better not guess at figures on it, but it would be in the hundreds of thousands of dollars, anyway.

Mr. Fairclough: Thank you very much for those answers.

Mr. Hardy: Are there any more questions? Seeing no questions, I would like to thank the witnesses for coming forward and being very frank and willing to share the information and tolerate the questions that we do have to ask.

With that, I will close this session of the hearings. Thank you very much.

Recess

Mr. Hardy: I will call this hearing to order.

The Committee would like to thank the witnesses from the Yukon College for appearing before us and for submitting the written submission to our request. Today, I'd like to thank the following witnesses for appearing: Sally Adams Webber is the President, Dave Neufeld is the Chair of the Board of Govern-

ors, and Wayne Coghill is the Director of Administrative Services.

I'll introduce the members of the Committee and its advisors. The Committee members are: me, Todd Hardy — the Chair; Patrick Rouble is the Vice-Chair; Mr. Peter Jenkins, Ms. Pat Duncan, Mr. Eric Fairclough and Mr. Dean Hassard are Committee members.

The advisors from the Auditor General of Canada are Mr. Ron Thompson, and Mr. Eric Hellsten for this session. Mr. Roger Simpson had to leave earlier today.

The Clerk to the Public Accounts Committee is Mr. Floyd McCormick.

The Public Accounts Committee is established by order of the Legislative Assembly. We are a non-partisan committee with a mandate to ensure economy, efficiency and effectiveness in public spending — in other words, accountability for the use of public funds.

Our task is not to challenge government policy but to examine its implementation. The results of our deliberations will be reported back to the Legislative Assembly.

The Public Accounts Committee was formed in 1980 and reported annually to the Legislative Assembly until 1991. However, this Committee has issued only one report since then.

This current Committee intends to hold hearings and conduct investigations into the operations of government departments and entities in pursuit of improving accountability.

Because of the Committee's inactivity, there is not much corporate knowledge and experience in how the Committee operates. So let me set a few ground rules on how this Committee will operate.

The Committee sent out three questions to selected government entities regarding that entity's mandate and how that mandate is being fulfilled. The entities have already responded in writing. The questions and responses form the basis of these hearings that have been taking place over the last three days.

Ms. Webber will be invited to make a brief opening statement. Then members will ask questions. I ask that questions and answers be kept brief and to the point so that we may deal with as many issues as possible in the two hours allocated for this hearing.

At the end of the hearings, the Committee will prepare a report of its proceedings and any recommendations that it makes. This will be tabled in the Legislative Assembly, along with a verbatim text of the hearings.

It is our intention to hold regular meetings in the future that will deal with both new issues and follow up on previous hearings.

We will proceed now with the opening statement.

Ms. Webber: Thank you, Mr. Chair and members of the Committee.

Yukon College is a comprehensive, two-year, public post-secondary institution serving the needs of the people of the Yukon. Our relationship with Yukon and its public is deep and diverse. We are proud of our accomplishments and of our network of partnerships.

The written submission you have received contains a comprehensive overview of our accountability processes. I have chosen, in these brief opening remarks, to highlight three specific initiatives we have undertaken in recent years to increase public and government awareness of the work that we do and the level of success we achieve. They represent a significant investment of financial and human resources, reflecting our commitment to accountability, even in times of severe financial challenges.

(1) Communications: in recognition of the need to keep the public informed, Yukon College set out to improve the effectiveness of its external communications. We now have a communications advisor. In addition to increasing the number of press conferences and press releases issued by Yukon College, she coordinates the publication of a widely distributed and highly successful newsletter, *The Choice*.

The newsletter provides coverage of the College's work that otherwise would not be covered by the local media and makes these important stories readily available to the general public.

(2) Accurate relevant and timely information: in order to meet the monitoring requirements of the board of governors, the Yukon government, First Nation governments, the Government of Canada and others who provide funding and other support to the programs and activities of the College, we have retained a full-time position dedicated to the development of sound research reports. The institutional research officer works with the advice and support of an advisory committee comprised of governmental and non-governmental stakeholders. We now have the capacity to respond in detail to our community about the outcomes of the College's work.

(3) Public access: Yukon College was one of the first Yukon institutions to set up and operate a publicly accessible Internet Web site. It is currently under redevelopment, and its new phase, an additional functionality, will be visible within the next two months.

Thank you for providing us with this opportunity to meet with you to discuss our work and our valued partnership with the Yukon government.

Mr. Hardy: Thank you. The first questioner will be Mr. Rouble.

Mr. Rouble: Good afternoon. Thank you very much for appearing before our Committee. We have pooled all of our questions, so each of us will be asking questions around a specific topic or theme. I'll start off with the area of governance.

Could you briefly outline your governance structure and the role of the board?

Ms. Webber: I would be happy to do so. I may invite our board chair to provide supplementary comments in response.

Yukon College is a creation of the Yukon government. It was created under the *College Act*, and the *College Act* is the legislative basis on which all of the governance structure is based. It contains a provision for the creation of a board of governors. The board of governors is the governing body for the College as a whole. It is comprised of 12 individuals — three representing Yukon's communities, three representing

Yukon's First Nations, three representing the general public at large, one is the president and a non-voting member, one is a representative of students, and the last is a representative of staff.

Together they comprise the most senior governing organization in the College.

The governance over the College is delegated in some respects to the president of the College, who is both the president and the chief executive officer. That role looks after the administration of the institution.

Mr. Neufeld: I suppose I would add that the College acts as an institution at arm's length and that the board of governors sees itself as responsible to the Legislature for meeting the mandate of the *College Act* that has been provided and also to represent the interests and wishes of the people of the Yukon in their post-secondary education needs. These are reflected, I think, in the ends and so on, the vision and journey that is produced in the written material that we have attempted to address those needs and explain how we would meet them.

Mr. Rouble: You mentioned that you saw yourself at arm's length from government. Could you go into a little bit more detail as to what the relationship between the Yukon territorial government and Yukon College is?

Mr. Neufeld: There is a letter of understanding between the Department of Education and the College board that outlines the various provisions of that. That has just been renegotiated, or reviewed, and rewritten. We haven't actually quite signed it yet, but it outlines the nature of the relationship there. It's a very cooperative one, and we do, of course, meet with the minister on a regular basis to both provide information and to gain direction on the interests of the government.

Mr. Rouble: How often is that letter of understanding renegotiated?

Ms. Webber: It's on an as-needed basis. The current renegotiation is the first since about 1993.

I might add to the preceding that the members of the board of governors are appointed by the minister in Executive Council. Pursuant to the *College Act*, once per year, the Yukon Legislature is provided with the College's annual report and audited financial statements.

Mr. Rouble: What type of input is considered in this letter of understanding? Is it in very broad, general terms or does government play a role in specific programming requests?

Ms. Webber: The letter of understanding lays out mutual roles and responsibilities. It defines, for example, the nature of the dialogue between the minister and the board. It outlines in some detail the expectations of relationship between the department's hierarchy and the College's.

I, for example, work most extensively with the Deputy Minister of Education, and members of my administrative staff connect into the Department of Education on a dialogical basis at various points.

It also contains provisions for the minister to approve significant programming changes and it also offers a dispute resolution procedure.

Mr. Rouble: Was it the board of governors that was responsible for the creation of the journey document?

Mr. Neufeld: Yes.

Mr. Rouble: You mentioned that the Minister of Education is responsible for appointing people to the board of governors. Could you describe the process that is involved in those appointments?

Are there particular skills that are looked for, particular representation? How is the board of governors selected?

Ms. Webber: The process, as I understand it, involves the solicitation of nominations from the categories I mentioned before. For example, in the case of the community representatives from Yukon's rural communities, our rural community campus committees are asked to put forward nominations for those positions. Those nominations go to the minister and he or she makes the determination from those nominations.

In the case of First Nations, the call for nominees to the board of governors goes to Yukon's First Nations and any First Nation is eligible to nominate a candidate.

In the case of the student representative, the student body has typically been represented by the Yukon College Student Association and they are invited to put forward a name or names to the minister for that seat on the board.

Likewise, for the staff representative of Yukon College, there is a call for nominations to the staff as a whole and they put forward their nomination.

For the community at large, there are a variety of ways that members' nominations reach the minister. One of the ways that that happens is through the active encouragement of current members of the board, who may identify a community person as having a good contribution to make to the board and encourage them to let their name stand.

At the end of the day, it is the minister who makes the call from the nominations that are provided.

Mr. Rouble: Is there any training or skill development offered and provided to the board of governors?

Ms. Webber: Yes. New or prospective board members often approach us even prior to appointment to really scope out the nature of the College, the nature of the responsibilities that go with being a member of our board of governors, a chance to familiarize themselves with the College.

Newly appointed board members are provided training. There is an orientation to the College as a whole, its programs and services, its network of partnerships and advisory bodies, particularly the community campus committees, which have a formal relationship with the board through a regulatory framework pursuant to the act. They are also provided an orientation and training in the principles of policy governance, which is the governance style that the board of governors adopted back in 1992-93. In addition to that, there is usually a board retreat planned for late summer that is an opportunity for in-depth discussion of the significant businesses of the College.

Mr. Rouble: You mentioned that the board follows a policy governance or Carver-type model for board governance. What positive or negative impacts has this had on the College and its ability to meet its mandate?

Ms. Webber: Well, I will certainly share my response to that question with Mr. Neufeld. From my perspective, as chief executive officer and president of the College, it has the

positive benefit of separating administrative matters from policy and direction matters. It allows the board and the senior administration of the College to pursue complementary but not overlapping responsibilities. This has been, in my view, a significant step that the College took over a decade ago and substantially and positively changed the relationship between the president of the College and the board.

Prior to that period, there was a considerable amount of storm and stress resulting essentially from overlapping mandates, and I think confusion of leadership and management in the institution.

In addition, policy governance ensures that the board of governors stays close to the Yukon public and its interests and aspirations for the institution. The Carver approach is very outward looking. It operates with the assumption that the representatives on the board of governors will listen acutely and at length to the moral ownership of the institution, which is the Yukon public.

David, perhaps you would like to comment?

Mr. Neufeld: From the board's perspective, the policy governance offers an opportunity to focus on what the outcomes of the College should be — that is, focusing on the mandate that has been handed to the College by the Legislature and taking a longer-range view of where we want to go.

Previous to that — and I've sat on the board about seven years or so now and was in at the formulation of the policy governance model — there was a great deal of activity that related to day-to-day operations, which really clouded the board's ability and limited its capacity to take a long view and actually provide direction.

As Sally mentioned, the connection with the ownership of the College — speaking very broadly to not only the responsibility back to the Legislature and the people of the Yukon, but also through community campus committees and the various representatives on the board and that we would go back and be in touch with them. The meaningful conversations with those owners are about where you want to go, not about whether you get a green computer or a red carpet and that kind of thing.

So it has helped the board fulfill responsibilities of leadership and it has, I think, allowed the administration of the College a good deal more freedom in moving toward those.

Mr. Rouble: Finally, has the board taken any steps to advise its directors of any liability they may face?

Ms. Webber: Yes, I think, in very general terms, the College, like any other entity, faces a number of potential liabilities at any point in time. By policy, the board of governors has set limitations on administrative activities, limitations that reflect not only legal, but prudent limitations in terms of choice of activity, range of freedom and so on.

One of the limitations that the board has expressed in policy is that they be advised, in a timely manner, of any set of circumstances that could, in any way, materially imperil the College.

Mr. Neufeld: If I could add to that — sorry, I misunderstood the question at first and I did mean to address it in my first response. While the board is no longer involved directly in day-to-day management, the board is still very much in touch

with the results of day-to-day management through the monitoring that takes place, so there is regular monitoring of students, of faculty and staff and of the financial matters of the College, so we have identified a series of indicators that allow us insight into what is happening there to ensure that those executive limitations aren't breached.

The finger still remains on the pulse, even if we're not actively trying to push it that way.

Mr. Hardy: The next person who will be questioning is Mr. Fairclough.

Mr. Fairclough: Thank you, Mr. Chair. I would like to thank the three witnesses for coming forward and answering questions of the Committee.

I do have some questions in regard to the mandate. In your written submission to the Committee, you described the College's mandate. What are the core programs or activities that allow the College to carry out its mandate?

Ms. Webber: In a very general sense, we offer programs, — both full-time and part-time, academic and skill-based — to the people of the Yukon through 13 campuses, the largest of which is here in Whitehorse. We offer, as well, in support of those programs of education and training, student services, which are supportive of the students who participate in our programs. We operate a small but dynamic research institute, whose mandate it is to assist in the production of northern-relevant knowledge. We also operate a student residence to accommodate in Whitehorse those individuals from communities who have come to study on a full-time basis. And we have a suite of support administrative services, including the standard human resources, financial management, accounting and so on.

Within that program mix are full-time programs that are post-secondary in nature, ranging in duration from one year to four years on a full-time basis. We also offer upgrading opportunities for students who have not completed secondary school or who are lacking in sufficient higher level courses to enter post-secondary. We offer those adult basic education programs across the Yukon. In addition, we provide an array of courses that are suitable for students pursuing an undergraduate credential. We offer years one and two in university transfer, as appropriate there.

We also offer two undergraduate degree programs: one is the Yukon native teacher education program; the other is the northern human service worker program, or VSW. We do these in partnership with the University of Regina.

We offer trades training, both pre-employment and apprenticeship levels in consultation with, and in cooperation with, Yukon's advanced education.

We also offer a number of programs that are designed specifically to meet needs that have been identified in the community. We offer these very frequently in financial and cooperative partnership with a number of entities. We are very proud of the range of partners we've developed over the years. This involves, for example, cooperating with First Nation governments, cooperating with the Government of Canada as well as Yukon government departments and the business and private sector.

The range of programs that are offered at any point in time is the product of a five-year strategic plan that was developed in broad consultation with the people of the Yukon. It guides us in terms of where we put our resources in the annual plan.

The College is a comprehensive college and, as a result, there's quite a breadth of programming. It covers many sectors of our society, and it provides what we can afford for Yukon people.

Periodically we will offer a special offering of a program. One example would be the master of public administration program, which is a graduate program we offer when the demand in the territory is sufficient to warrant our partnership with the University of Alaska Southeast to roll that into place. We have done this with a master of social work program in community health, and we stand ready, as a facilitative entity, to broker into the Yukon-relevant programming that's outside our direct mandate.

Mr. Fairclough: Thank you for that answer. It was a long one with lots of information there.

In regard to the core programming, are any of these programs a concern or problematic to the College? For example, upgrading or college prep programming?

Ms. Webber: Well, all our programs are challenging in the sense that we have a broad mandate in terms of geography. We do have campuses in most of the Yukon's communities, but bringing our programming close to the people and where they live is an ongoing challenge and one that I think we have done rather well with.

In terms of the programs themselves, if we find that the demand in the Yukon public ebbs or wanes — and I'm not suggesting that they have in those areas; in fact, we have growth in college prep — we look very seriously at where we might redirect those resources.

We have, I think, been very successful in strategically moving with the needs of our people.

Mr. Fairclough: Okay, what is your interpretation of the mandate in terms of whom the College exists to serve? You have already mentioned the Yukon people. Is it more than that?

Ms. Webber: Yes, it is. I think it exists primarily to serve the people of the Yukon. That has certainly been clear in both the mandate provided us through the *College Act* and through the board's own deliberations on behalf of the people of the Yukon. Increasingly, however, Yukoners, like residents in other parts of Canada, are looking forward to participating in a global way and taking our place within an international context. So in recent years, Yukon College has intensified our range of international connections to provide our people with access to some of the benefits of connecting with northerners in other parts of the globe. I would specifically mention here the University of the Arctic as an expression of that international commitment. It is a commitment, however, that to this point has been made and facilitated by the federal government. I might note here that in making programmatic decisions at Yukon College, we are careful to determine that the use of the Yukon people's resources is principally invested in them. We look for complementary financial resources to expand the horizon beyond what is needed in their daily lives.

Mr. Fairclough: I thank you for that. To what extent is the College accomplishing its mandate? Are there any areas that need to be worked on, and if so, what has been done to address these deficiencies in these areas?

Ms. Webber: I would say that we have met most parts of our mandate rather well. But the Yukon is a changing place.

One of the areas where we are planning to develop and enhance our programs and services and potentially redirect resources is in working in partnership with Yukon's First Nations as they implement their self-government agreements. In recent months, we have hired a director of First Nations initiatives. We are working in a direction to provide supplementary or, in fact, new programmatic activities that will help meet those needs.

The most recent example of that would be the environmental officer training program, which was developed in cooperation with First Nations to help provide trained staffing for specific elements of implementation. It is our intention to continue to develop implementation programming that will, in fact, strengthen First Nations' capacity in self-government.

There are other areas where we see an evolving need to address programs. One is in the area of culture and language and heritage, all aspects of Yukon society. Currently we're looking toward this sector to improve not only an understanding and a kind of liveliness in the various cultures of the north and the Yukon but also are looking in very practical ways to ensure that new cultural tourism industry opportunities exist and that people are appropriately prepared to work in those industries.

We are also aware that we want to improve our corporate track record as an organization with an ethical premise in terms of our impact on the environment, and we are planning to undertake an institutional environmental audit to see how we're doing and to become a corporate citizen with a conscience in that area.

We're also working very hard to accommodate learners as they come through our door. There are a significant number of Yukon citizens who are looking for other than professional and paraprofessional program opportunities, and we are hoping to enhance both programs and services to individuals with special needs in the institution.

Finally, our strategic plan calls for a programmatic presence in a range of vocational areas. That diagram is on the back of *The Choice*, a document that was provided in your package. We see the need to strengthen our programs and services in a number of areas to provide a full range of programs there. One of the areas we have been growing program capacity in is in the land and environment part of that.

Mr. Fairclough: First Nations are implementing their agreements; are part of these as a result of those agreements? You were talking about environmental officers and so on.

Ms. Webber: The need to develop essentially another order of government in civil service is something that we are very proud to be partnering in. We have had long-standing discussions over the years with the office of Grand Chief of the Council of Yukon First Nations. We have also at the community level had discussions and dialogues with leadership of

Yukon's First Nations. We are now, I think, increasingly clearly seen as a responsible and respectful trainer and preparer of people for positions in those governments.

The initiatives in question are essentially led by Yukon's First Nations rather than Yukon College. We have, I think, developed some very innovative approaches, and I believe they are not only cost-effective but, in fact, effective in meeting the needs of Yukon's self-government.

Mr. Fairclough: Thank you. You mentioned the University of the Arctic, and Yukon College was one of the founding members of that university. What financial and human resources have been allocated to that, and what direct benefits has it had for Yukon students and Yukon in general?

Ms. Webber: I have had the pleasure of participating in the evolution of this very exciting circumpolar collaborative virtual institution since its inception.

The funding for the University of the Arctic has derived from the eight countries that comprise the Arctic Council from the outset. This would be not only the U.S. and Canada on our part of the globe, but Norway, Sweden, Finland, Greenland, Iceland and Russia, all of which have played a role in the evolution of the framework for the university and subsequently its work.

In the Canadian context, the principal investment has been made by the federal government. The Department of Foreign Affairs and International Trade has, by far, been the leader in the Canadian context. They have provided funding in support for the participation of Canada's three northern institutions: Yukon College, Aurora College and Nunavut Arctic College. As well, in latter days they have provided financial support for the creation of the bachelor of circumpolar studies undergraduate degree involving some curriculum development and other administrative supports.

Behind the Department of Foreign Affairs and International Trade — incidentally, the mandate for their participating in the University of the Arctic is to be found in Canada's northern dimension of its foreign policy, which explicitly addresses circumpolar relations and the University of the Arctic. That foreign policy, in fact, was developed in collaboration with northerners in Canada, including extensive consultation right here in Whitehorse.

The smaller amounts of support have come for portions of the university's activities from Indian and Northern Affairs Canada. Human Resources Development Canada has funded student mobility so that Yukon students and students from the northern part of Canada can, in fact, study in other circumpolar countries. There has also been support given from the participating members of the University of the Arctic, both in kind and in human resource support.

The human resources of the University of the Arctic really are quite dispersed. Every member institution in the university has one or more individuals who are busily at work conducting the university's business. The Government of Finland has provided ongoing support for a secretariat to the university. It's located in Rovaniemi, Finland, and it coordinates the activities of the university.

In the Canadian context, we have also the pleasure of hosting the dean of undergraduate studies for the University of the Arctic. It's presently vested in the University of Saskatchewan, but it's intended that this be a university without walls and that these functions, in fact, flow to participating members.

The council of the University of the Arctic, which is its senate-like body, comprises now over 60 member universities, colleges and indigenous peoples organizations. It is a strong and growing network of cooperation.

In terms of the direct benefit to Yukon people, Yukon College hosts the instructional capacity for Canada of the bachelor of circumpolar studies 100 program. At this exact moment, we have 52 students from the circumpolar world registered in that course, and of those, some dozen represent Yukon citizens on this offering only.

There is growing interest on the part of the Yukon public in pursuing within an undergraduate degree this credential, and we are encouraging that.

We actively participate in the development of the core courses, and at the moment we are developing at least one advanced emphasis in that degree program. There are conceptualizations for potentially two more that we may partner with other institutions.

It's very early days in the university's operation. We piloted the first BCS 100 course only a year and a half ago. It is now a solid offering, and the pilots on the other core courses have proceeded. We expect to see our first graduates in less than three years, and I think that it has been not only a direct benefit to those students who have participated in the University of the Arctic, but in the future it will form a significant opportunity for people to complete their degree without having to leave the territory or elect one of the two other undergraduate options that are presently there.

A very important element of the University of the Arctic's work is its relevance. A curriculum that is designed by people from post-secondary institutions in the whole circumpolar world cannot help but have a relevant curriculum. A curriculum that is developed in cooperation with indigenous peoples organizations, a curriculum that is clearly relevant to the kind of climatic, social, cultural and economic conditions that prevail in the circumpolar world, I think, is a benefit without price.

Mr. Fairclough: Now, does the College have any plans at this point to become a degree-granting institution, and if so, what studies are being done or have been done to determine the feasibility of having a degree-granting university north of 60 here in the Yukon?

Ms. Webber: Thank you. This is another important question for Yukoners. The College at the present time participates in partnership with degree-granting institutions, and we have done so principally because of capacity and because of financial constraints and because of the small demography that the Yukon represents in terms of the creation of the university.

That said, there has been a hope, I think, in the minds of the Yukon people for a long time that eventually we would have an institution with degree-granting status.

Toward that end, the College sought legal opinion about the *College Act* and whether in fact a change in legislation

would be necessary should we wish to become a degree-granting institution.

The legal advice was not clear on this point. Certainly, the *College Act* does not preclude degree-granting status, but by the same token it does not specify that as a possible direction. As a result, the discussion about degree-granting status has been put somewhat into abeyance as we work through some of the University of the Arctic processes.

There is a persistent wish expressed by a number of Yukon citizens that a locally accessible undergraduate degree would be possible. We have not commissioned a formal study at this point, but it is not unlikely that within the next two-year period that we would do such a study. It would be a very preliminary kind of approach not particularly about feasibility but about whether the recurring requests we are hearing in fact represent a significant wish on the part of the Yukon public.

The process of becoming a full-fledged degree granting institution is a complex one and is one that requires investment over and above the present resources that Yukon College experiences, as O&M and capital budget would be a significant investment and pursuing that idea would require real care.

Mr. Fairclough: Okay, thank you. One of the biggest challenges facing the College, as you mentioned, is how to meet the needs of Yukon's rural communities. Individual campuses seem to enjoy a great deal of respect in most communities, but there are practical limits on what they can offer at the local level.

What is the College doing to overcome those limits and what are the College's needs in this regard?

Ms. Webber: Yes, this is one of the key Yukon realities — the great difficulties posed by geography.

In addition to our network of community campuses, which are regarded very favourably, incidentally, by my peers in other Canadian institutions — I can't tell you how many times they have remarked what a remarkable network. There is no place in Canada that can boast the kind of local availability that the Yukon can, and we have been studied at some length by many institutions facing similar populations.

That said, of course, we cannot offer the full range of programming at every small learning centre. It's not practicable. What we have done instead is two-fold: first, we have put a strong emphasis on distance education, or distributed learning, in an effort to bring to three or four individual groups of people in each of our communities the possibility of studying our courses on-line or by other distance education methodology. We have more than quadrupled our student enrolments in a two-and-a-half to three-year period. It is an ever greater number of faculty members who are coming to volunteer to transform their credit courses to on-line learning experiences to reach into the communities.

Secondly, we have invited our community campus committees and the staff in our community campuses to embrace a much broader vision of what can be offered at the local level than had previously been the case.

Our campuses started out basically as adult basic education upgrading centres. They are now vital centres of continuing education, of local support for distance learners. We bring the

resources of our College to the communities, often on a rotational basis, as much as we possibly can. This has resulted in a much more diversified curriculum access at the local level in our rural communities.

Mr. Fairclough: The College has two campuses here in Whitehorse, and I believe another 12 in other communities around the territory. Is there a bottom line point at which the board of governors might decide it could no longer maintain one of its community campuses?

Ms. Webber: The community campus story is, I think, the success story that I have described. The present configuration of campuses has us with two campuses actually in Whitehorse: one at the Whitehorse Correctional Centre and the other, Ayamdigut, with the balance being in the communities. Over the years, the College has examined that whole question. There was a time — over 10 years ago, now — that it was actively contemplated that we would regionalize our campuses. That was such an unpopular idea that it didn't happen then. And, no, I don't see that the reduction in the number of community campuses is likely to happen. The board of governors is highly supportive of a distributed presence of the College. We have been asked in several ways to approach the expansion of the number of community campuses. We have attempted not to go there because of the inevitable financial drain on already strained resources. But where we could not support putting a community campus into action, we have actually worked with the local community to provide training programs that they would co-host with us on a needs basis.

We have done that in Beaver Creek. We have done that in Kwanlin Dun, and we would approach any request of this kind in a similar manner.

Mr. Fairclough: Now that high speed Internet access is available throughout the Yukon, what impact is the demand for distant education having on the College's operation both here in Whitehorse and in other Yukon communities?

Ms. Webber: Internet access is something that we very eagerly supported. We have partnered with the Yukon government in the rolling out of Internet capacity and broadband communications. We have proudly done that.

We have worked in partnership not only with the Yukon government's own infrastructure departments but also with the federal government.

Our role was to help define in early days what the needs were for a broadly expanded distance education possibility for the Yukon communities. It was also to provide local training so that people in the communities, as the Internet reached them, had a way to find out how it worked, to test it out and so on.

We invested quite strongly in having computers and computer access in all our campuses right from the beginning. We really have grown along with the technology.

In recent months, we have encountered difficulty with our distance education programming because of the inability to achieve broadband connectivity with a couple of our communities. It's not just a Yukon College problem; it is a Yukon problem related to the implementation of connectivity throughout the Yukon. We would strongly support, of course, devel-

opment in that area. We believe that we are very strong partners in that enterprise.

As far as converting and innovating within the distributed learning field, we have done extremely well. We have a very innovative faculty; our staff is dedicated and, increasingly, as I mentioned before, our instructional staff is saying this is something we would like to try. As a result, we have a burgeoning number of students in that area.

Mr. Fairclough: I thank you very much for your answers. We'll move on to the next questioner.

Mr. Hardy: Ms. Duncan.

Ms. Duncan: Thank you very much, Mr. Chair, and good afternoon and welcome to our witnesses. Thank you very much for coming before us today.

As has been mentioned earlier, we have pooled our questions. Part of the accountability, if you will, of Public Accounts is also the funding of organizations, and that's where my questions are going to focus this afternoon.

Ms. Webber, you've mentioned several times phrases like "severe financial challenges" and "already-strained resources". Would you outline briefly how the operations of Yukon College are funded?

Ms. Webber: I would be happy to. I may invite Mr. Coghill to supplement my comments.

Yukon College is currently supported by a number of revenue sources. By far the largest resource and the strongest partner in our work is the Yukon government, which provides us with an annual operating grant and an annual capital grant.

This grant, over time, has increased modestly as collective agreement payouts have increased for the Yukon government's own employees and ours but, overall, it has remained virtually stagnant for a decade.

This posed a great challenge. We all know about the impact of inflation. Coupled with the inflation pressures on a similar funding base, we've also had challenges with respect to the very technology that the previous answers imply.

We have had to create an institution that is not only well-equipped with contemporary information technology — computers and so on — but we needed to modernize a variety of our administrative processes and that involved a significant investment. We have invested very strongly in our innovative capacity to make our programs relevant. This has involved a variety of additional expenses. I have mentioned in my opening remarks some of the more recent investments we have made. But all in all, that has created historically a very strong pressure on us.

In response to that pressure, which has been building, as I said, over a decade, we very actively pursued other sources of funding to complement the declining purchasing power of our grant, and our so-called third-party-funded activities grew exponentially. Those third parties include various other departments of the Yukon government. We are now in strong partnership with diverse departments such as Tourism, Economic Development and many others. It involves the investment of the kinds of federal departments, as I mentioned — DFAIT, INAC and others, the literacy secretariat — and there is quite a long and extensive list. We have also been very successful in meet

ing the financial challenge through third-party support in kind and participatory contributions from the private sector and foundations and First Nations governments and First Nations organizations.

That diversification has been both a financial benefit to the College and, I think, an enriching experience in the end. These partnerships that start out as helping to create an academic or a skill-based program often leave lasting legacies in terms of employment possibilities for our students in terms of new perspectives for our staff and students in the programs.

That said, we believe that we have reached pretty much an outer limit in terms of the kinds of third-party resources that we can garner to support the work of the College. The language you see in this submission and the language I have used with respect to several comments conveys our very deep-felt concern that we've maxed out and we're now on a downward slope.

Last year, for the first time, Yukon College experienced layoffs and involuntary work reductions. It was an experience that was very painful and the first time that this kind of substantive experience of lack of resources has hit the most, I think, obvious part of our operation, in terms of the well-being of the Yukon people.

The loss of human capacity in the organization has seriously threatened our future. We will not be able to continue to expand flexible offerings to the Yukon people, meet their diverse needs and so on, with a shrinking labour force.

Ms. Duncan: I appreciate your answer. I'm looking for, in response to this Public Accounts Committee, more specific answers with respect to specific numbers. I would like to explain briefly why.

The public accounts or the financial statements of Yukon College, you mentioned, are tabled in the Legislature. There are also line items in the Government of Yukon contribution to Yukon College; however, those financial statements are not debated in this Legislature, except in this forum. That is why I would like to focus, if I could, on the financial statements. I have been supported in this. The last financial statements were tabled; however, they weren't in the specific package of information you provided. I have had the assistance of the Auditor General in this respect.

If I could have a more direct answer, then, for Yukon College funding — could you outline specifically in terms of, perhaps using percentages if you wish — what would be the contribution of the Yukon government? You mentioned a variety of organizations in third-party contracts.

In your financial statement, is the total Yukon government contribution listed as Yukon government or is the Yukon government also included in the third-party contributions? What percentage of your funding is Yukon government and what percentage is third-party, and what are we talking about in dollars, please?

Mr. Coghill: With respect to the financial statement, the figure that you see under contributions from the Yukon government is just the O&M grant. With any other third-party initiatives that we undertake, the YTG funds do appear in the third-party contracts line.

That's approximately around \$2 million, give or take. These things do vary quite a bit depending on the year. Included, for example, in those third-party contracts are two major initiatives: a contribution to YNTEP, which is \$520,000, and a contribution to the bachelor of social work program, which is \$320,000.

So that is \$800,000 or \$900,000 right there of the \$2 million that we might see from advanced education and the Department of Education generally in any given year.

When you talk about overall revenue sources, our grant is approximately 60 percent of our overall operating revenues. We look to somewhere between 30 and 35 percent from third parties. And a very marginal portion comes from tuition — five to seven percent. We have deliberately kept our tuitions low for accessibility reasons. We do have the benefit of receiving our grant up front, which allows us to invest the funds prior to having to spend them. Of course, in the markets of the last few years, that hasn't been as good as it was previously, but we are still able to generate about \$300,000 of revenue from that source alone. Then there are some miscellaneous categories. We rent out our facility once in awhile. We charge some ancillary fees, and those make up the rest.

On the third-party projects, we're probably looking at \$1.5 million a year to \$2 million from feds, various sources; somewhere in the neighbourhood of \$500,000 from First Nations; and then the rest is just private sector or other partnerships that we may enter into with other agencies. But overall the total is \$5 million — approximately \$5 million to \$5.5 million in third-party revenues. And I think the pressure that Sally was speaking to — chasing third-party dollars brings with it a lot of strain on the infrastructure. Right from the start, you have to be in a proposal-writing mode to go out and chase the funds. You often have to solicit multiple funders to make one initiative go. It's not a question of finding one that funds the whole thing. Then you have to account for the funds, and then you have to report back to individual funders. Particularly, as we have seen in recent years, there is a lot of scrutiny on federal initiatives. There is a high degree of accountability that is requested and expected. That places quite a demand on the administrative infrastructure.

So when Sally says we've maxed out, I believe it's on two fronts. One is our staff are weary in that whole exercise, but I think we're also at a point where funding levels generally are — we've chased them all, those that are available in our market, anyway. And we've started to see at least a plateauing, if not a slight downward trend, on third party, overall.

Ms. Duncan: Thank you very much; I appreciate that answer.

With respect to the financial statements, the contributions of the Yukon government for operation and maintenance outside of the third-party contributions are about \$11 million — is that correct?

Mr. Coghill: That's correct.

Ms. Duncan: Okay, so \$11 million in O&M and \$2 million in third-party, and then \$750,000 capital.

Mr. Coghill: That's correct.

Ms. Duncan: I'd just like to talk briefly, if I could, about the capital. In that \$750,000 in capital contributions, I note that the capital contribution was \$750,000, but in 2002, you spent about \$290,000 of that and in 2003, about \$315,000 of that.

What we learned in our earlier discussions on Tuesday, Mr. Coghill, is that the Yukon Housing Corporation receives funding from the Government of Yukon, and what has happened is, if they haven't spent it all in that year, it has been considered a loan and the Housing Corporation has been allowed to accumulate that, but it's on a loan basis.

Is this a similar situation, in that you have underspent the amount of the capital contribution, and it has just been allowed to stay with the College as opposed to coming back to the Yukon government?

Mr. Coghill: I think the College situation is different, or at least we've interpreted it differently since devolution in 1990. There was even discussion at one point of amalgamating grants, that there was not the requirement to maintain the capital funding as capital or the O&M as O&M, but it came to the board of governors to allocate accordingly.

The main reason that our capital is being underspent is, when we were required to change our accounting processes and go to amortization of capital assets a few years ago now, we raised our capital limit to \$2,000 per item. So we're seeing less and less spent as pure capital, but of course the flip side is true too; more of that is being spent on the O&M side.

So what we do is a blend of funds, and when we look at our bottom line, we look at how we wound up on our O&M, bring in the capital surplus as it exists, and then net the two out. In the year ended June 30, 2003, we still wound up negative, even with the capital surplus considered.

Ms. Duncan: So that's a difference from how a department is financed by the Government of Yukon, in the sense that a department — if they underspend on a particular project, the money has to come back for a revote, and if they want to switch money between O&M and capital, the Cabinet minister has to get the permission of his colleagues and then it is noted also in the Legislature. But here, with Yukon College, it is these three sums, if you will, under varying pots and it is allocated. It is made sure that it never comes back as underspent.

Mr. Coghill: That's right. We have, particularly in previous years — and that was a deliberate attempt probably starting in 1992 — established a bit of a cushion because we don't have direct representation at Management Board. We operate through the Department of Education. We wanted to be able to stand on our own two feet, if you will, and we deliberately established a few reserve funds at the beginning and we've been trying to build them up over the years.

That has obviously been much more difficult in the last few years. For the year ending June 30, 2003, we actually had to draw down our reserves by about \$520,000 because of the overall situation.

Ms. Duncan: Your books are also audited by the Auditor General as are the rest of the Yukon government's?

Mr. Coghill: That's right.

Ms. Duncan: The Auditor General in 1996 did a report — the Department of Education, Yukon College. It is noted in that report that Yukon College receives about \$742,000, or about four percent of their income from tuition fees. The comparison with other colleges and institutions at the time was that they normally recover about 15 percent of their operating costs. For Yukon College, the difference would be \$2.6 million as recovered from tuition, as compared to \$742,000. That was in 1996.

If I have listened to your figures correctly today, Yukon College is still collecting — as opposed to four percent, between five and seven percent of your overall operating funds are from tuition. As opposed to collecting \$742,000 in 1996, in 2003 you collected about \$695,000. So, seven years later, tuition has only gone up by one or two percent and the revenue has dropped by \$47,000.

In this report from the Auditor General to the Legislative Assembly in 1996, there was a recommendation that Yukon College examine the tuition fees. My question is: does the board regularly — in light of its financial management of Yukon College, are tuition fees examined in this perspective, and is this information presented to them?

Mr. Coghill: There are a couple of questions there. The first one, with respect to examining tuition fees charged — we do do that on a fairly regular basis. It comes up as part of our revenue forecast. In fact, effective September 1, 2003, we did raise them on average, I believe it was 20 percent — something near 20 percent. That was the result of a board decision that is requiring us now to look at all similar institutions or similar-sized institutions in western Canada at least, and establish our fees in the bottom third of that contingent. That was the review that was done probably two years ago now, because we are required to get credit tuition approved through the minister, so there has to be some lead time to make all that happen and get it into our calendar and have it ready for the students that come in in September. So, yes, they are reviewed on a regular basis. The previous increase was probably 1997 or 1998. When we made the increase this last time, we made it under the assumption we'd stay at least two years at this level. We usually bring in all the funders. We have a fairly large consultation to see what the impacts are. As I said, it has been a board priority from an access point of view to keep them as low as possible.

Ms. Duncan: In other words, what you've told me is that the board has had this report of the Auditor General and has weighed the social and other mitigating factors in the Yukon and has most recently acted upon this recommendation?

Mr. Coghill: Yes. I'm not so sure it was based on that recommendation. I think it was simply as part of the process where we look at our overall revenues and say that we've been making requests for enhancements to our own O&M grant, but we recognize we have to look at all other sources as well and move as much as we can in those areas.

Ms. Duncan: The financial challenges — we've talked about them briefly, or you've quite explained them from the perspective both in real numbers and overall in the financial challenges facing Yukon College. I'd like to just briefly discuss the financial position today, if you will. My look at the finan

cial statements actually shows them as reasonably healthy in the perspective of cash equivalence of about \$13 million and about \$6.86 million in assets. That's give or take \$20 million in a substantial asset to this community — a tremendous asset, not just to this community but, by that, I mean the whole Yukon.

So my question is: in spite of the financial challenges, how would you characterize briefly the financial position of the College?

Mr. Coghill: On a current basis, we have established a level of reserves. As I said, we had to draw down on those reserves last year in order to balance our accounts. Moving ahead on an annual basis, it's very tight. As Sally said, in order to balance our budget for the fiscal year we're in, we had to look at some staffing reductions, which is our principal expenditure — probably 80 percent of every dollar goes toward salary and benefits.

When you mentioned the cash reserves, one of the things that comes into play there is, as I mentioned, we're given our money up front, but that's April 1 and that's on a government year. Our year-end is June. Most of it's in the bank at our year-end, because we haven't spent it down, so that's why you'll see some significant cash balances at June 30 whereas if you looked at our year-end, or if you looked at March, our cash reserves would be somewhat less as we spend down that balance.

One of the other financial pressures we're facing in the organization, and the auditors did some review of that as well this year, is in our pension area. As a corporation, when we left the YTG contingent, we had to get off the superannuation plan and establish a private pension plan.

That requires that we fund it fully on our own with a very small membership base. We probably have 175 members in our pension plan.

We have enjoyed very good surpluses in the plan because of some pretty frugal management by the investment managers that we've hired and our administrators. But in the last few years, like everywhere else, we have diminished returns, and that situation is changing.

So it's a concern of ours. We are able at this point, because of the surplus, to fund the plan at a one-to-one ratio, so for every dollar that a plan member puts in, we can put in a dollar as the employer. According to the actuarial review that was done almost three years ago now, we should be contributing \$2.57 for every dollar that a plan member puts in. If we were ever required to go near that level, it would be a huge financial strain on the College.

Ms. Duncan: There are significant financial challenges facing Yukon College. I recognize what you have indicated. You've already stated that these financial challenges necessitated layoffs and reductions in staffing. Obviously that impacts on the mandate of the College. What other financial impediments is the College facing in being able to fulfill its mandate?

Mr. Coghill: Well, generally speaking, it's an issue of fairly static funding and increasing costs. Like all other organizations, we are seeing huge increases in our benefits, in our insurance premiums — those areas have soared significantly in

the last two to three years. As we see those increases, we have to divert resources from somewhere else to cover them.

When we did the reductions almost a year ago now, we deliberately looked at those areas that obviously had the least impact on students — but they do impact the institution. When we look at our third-party picture, we lost some of our capacity in that area, because those were the positions that were let go because they weren't directly impacting on students — or they felt that.

Or they weren't all layoffs; some of them were just vacancies that weren't filled.

I don't know; maybe Sally can elaborate on that.

Ms. Webber: I think, in terms of those reductions, we have further compounded a pressure that Wayne described earlier. Third-party activity requires intense administrative activity from proposed activity through partnership garnering through monitoring the implementation through accountability, record keeping and reporting, and so on.

So, in pursuing as we have done, through the recent more difficult budgets, the priority not to impact on Yukon students or potential students, we have in fact downsized in the areas where we're not experiencing growing pressures, and that's administration.

I don't believe there's any organization in the Yukon that would regard increasing administration as a popular or desirable direction, but that is in fact where a great deal of our capacity is compromised.

We are looking, as we continually look, to new opportunities for revenues, and there are on the horizon some new potentially rich sources of funding and funding support coming from national policies — for example, northern research would be a good example — but our capacity internally at the College to reach out and embrace a whole new field of potential revenues and potential benefit to the Yukon people is limited to the extent that we simply don't have human resources that are undeployed and able to take on new and innovative projects. And that is, I think, a serious limitation.

Our employees are working very hard; they're working flat out; and there is no more slack in terms of creative project leadership, and I think that is a significant long-term problem.

Ms. Duncan: If I've heard you correctly, what you've —

Mr. Hardy: Ms. Duncan, just for a second, just for a reminder, please, for everybody here, we have done about 18 questions. We have just on my sheet alone another 18 questions. We are left with approximately — if we do as we have in the past — less than half an hour. So try to be more precise in the answers, please.

Ms. Duncan: Thank you, Mr. Chair, and I'll endeavor to be more precise in my questions, as well. I will end off on this note. At the risk of sounding like I'm leading our witnesses: what you've told me is that Yukon College has spent a great deal of time and effort chasing revenue funding, writing the grant proposals, accounting for the grant proposals, and that there has been an impact on the College's ability to fulfill its mandate as a result of that. So what has to happen to change this and, very briefly, if you would — and as I said, I think we

can all anticipate the answer I'm going to get, but if you could articulate it, I would appreciate it.

Ms. Webber: We need an increase to our basic O&M grant. We need that in order to invest in the core capacity of the College to deliver on its mandate.

Ms. Duncan: Can you add a specific dollar figure to that? Perhaps Mr. Coghill could do that?

Mr. Coghill: Yes. The range of dollars that we're hoping to see is — you know, anywhere close to \$1 million would be greatly appreciated. I think it puts us back on solid footing. It gets us out from under some of the inflated costs we're seeing, as I mentioned, on benefits and insurance, and enables us to maybe look at some of our infrastructure issues when we need to replace some positions that we have eliminated and get back into the game.

Ms. Duncan: Thank you very much. I appreciate your frank answers.

Mr. Hassard: I would like to thank the witnesses for coming before us this afternoon as well.

I have two areas that I have questions to ask about. Those are in the areas of risk and planning.

You have mentioned a bit about some of the financial risks already, I think, in answering some of the other questions, but perhaps you could tell us what the key risks are that Yukon College is currently facing.

Ms. Webber: Well, I'll lead off.

Again, I may well defer to Mr. Coghill for specifics. There are a number of risk areas faced by the institution. The uncertainty about the pension, I think, is a very high one in terms of financial health. But we, like other institutions in Canada, face risks ranging from the impact we experienced of SARS on some of our cost-recovery activity that involves international work. There are many of those kinds of risks out there.

We have examined, as an institution — following the tragic events of a few years ago now — our vulnerability in terms of disaster preparation and what are the potential impacts on our operation of such and what is our capacity to protect our records and restore order and productivity to our organization in the event of disaster. The risks run straight through to one of the items that Mr. Coghill mentioned, which is the investment climate. We invest our grant. We have done well, as he indicates, on the very limited investment potential that we have. We have a very narrow and very safe investment window, but clearly our revenues rise and fall to a significant level in terms of earned income, depending on those external factors over which we have little control.

We run some risk as an organization dependent on an O&M grant from the Yukon government. In the absence of certainty, year over year, of what that will be, we have to factor that into our thinking. We don't know. It goes to budgeting. We have enjoyed a multi-year commitment in the past, but it has a time limitation, and we have to prepare for the possibility that that grant, or the capital allocation, may go down. That is something that we're exposed to.

We know that we have a significant equipment and other capital — what's the right word? — inventory. We also know that inventory depreciates, particularly with high technology

and the advances of technology, so we know that we're exposed over time to a considerable replacement cost around those items that date quickly, and so on, and the more our environment is one of an information technology environment, the more exposed we are to those costs — the cost of doing business.

Mr. Coghill: I think Sally has touched on a lot of them. As you say, there are financial risks, and included in those I would have to say is dependency on grants. We're still, no matter how you cut it, fairly dependent on the YTG grant; tuition levels; we have a market risk because of demographics in the territory as far as numbers of students; it is a limited market.

We're looking outward; we're looking at some other opportunities and drawing students from other jurisdictions as well to try to compensate for that.

There's the whole risk around staffing. Our demographics are similar to most organizations where we have a fairly large contingent that's looking at retirement in the next five to 10 years, and this is true of all post-secondaries across Canada. So there's an exposure there in recruitment and trying to find the right people to fill the jobs.

There's a whole direct risk associated with liability. The world we're in now is just more fraught with liability than the world three years ago, and the College has had to review that situation and increase its insurance where we thought it was appropriate. We went to the point of hiring commissionaires to patrol the Ayamdigut campus. We've had to look at personal safety in a different light, just because of the concerns that were expressed and the heightened awareness, I guess. I think the rest has been touched on. There is individual financial risk, but I think they've all been mentioned.

Mr. Hassard: Do you people feel that you've been successful in mitigating your risk?

Ms. Webber: No. I don't think that a complete success is possible. I think we've made, within the limitations of our funding support, prudent choices. Indeed, Wayne has mentioned the increase in provision for personal safety, particularly at Ayamdigut campus, but not exclusively. We have had quite a focus on that and, as a result, we've invested in security and security training and so on. Are we out of the woods? No. There are some sleepless nights. I think among all leaders of organizations these days, we cannot account for all the risks. We can only mitigate those that we're able to.

And it is not just financial constraints that limit that. We do live in a very different world than we did only a few years ago.

I think we're doing better than we ever have done. We've taken, as I said, prudent steps but not comprehensive steps.

Mr. Hassard: In regard to planning, does Yukon College have a business plan?

Ms. Webber: We have a five-year strategic plan that provides an orientation to our whole program and service vision. It translates the board of governors' *Vision, Journey, Trails and Ends Statements* into a concrete program and service plan. It would not constitute a business plan as understood by the private sector. What it does do is lay out very clearly the

program directions and it does address, in part, elements of a business plan.

The annual cycle of budget and financial review generates discussions with respect to longer term viability of a number of initiatives within the College.

One of the things that I didn't mention earlier, or didn't arise in the discussion of third-party funded activities, is that we are actually undertaking activities whose purpose is to generate revenue to subsidize other parts of the College. In those units, in fact, we do have a business plan. It is a business plan that looks more like a conventional business plan in that it rolls out anticipated volume, revenues, expenditures, and net contributions from a variety of our activities. This is something that applies not to the whole institution but to those parts of the institution that, in fact, participate in a business paradigm.

Mr. Hassard: Could you tell us how the College prioritizes its objectives?

Ms. Webber: Yes, I will. The first step of priority setting is really mandated to the board of governors. The board of governors sets the broad vision and sets priorities to the College on what needs to be accomplished and in what order of priority. That discussion is an ongoing discussion because ends policies are in constant review, but immediately prior to the creation of an annual program and service plan, they speak quite specifically to this question.

Their priorities become my priorities. I then convene the senior management team, comprising all the deans and directors of Yukon College, and we set to work projecting realistic revenues, projecting unavoidable inflationary costs, such as salaries and so on and so forth, and we review the annual program and service plan in the context of a multi-year plan.

That process is always one, in the case of revenue, of projecting realistic revenue levels and projecting realistic expense levels. Perhaps the trickiest part of that is the third-party revenue.

Then we take the priorities that we've been given; we look at the priorities that are established within the institution. We know what the student demand levels are, for example. We know that industry and business, who are our network of advisory committees, are pointing us in a particular direction, and we work with the combined information and administrative knowledge we have in the direction of the board to set those priorities.

Mr. Hassard: Thank you. You've answered some of this question already, but I'll ask anyway. Do you feel that the budgetary allocations of the College match its priorities?

Ms. Webber: Yes. That's something that the board scrutinizes. In terms of an actual review of the Yukon College budget, they take their ends statements and they look for evidence of the priorities of those ends statements being reflected in the budget. They ask very specifically about that.

Mr. Hassard: All right. Thank you very much.

Mr. Hardy: I will ask a few questions now. Given that your entity serves a wide variety of clients, do you set specific performance expectations? And that could be graduation numbers, jobs that are obtained in the areas of education that the people are pursuing at the beginning of each year.

Ms. Webber: Well, you're right. There is a wide variety of expectations out there. One of the areas where I think we've done a much better job in recent years is reporting back to the Yukon Legislature and the Yukon public about what happens to our graduates, what is their follow-up. We do a student exit survey now, whether they graduate or whether they don't, to examine just how many of them succeeded and in what ways, how many of them found impediments and in what ways. So we're trying, and I think now we have three years' data. We have the basis of some very good generalizations about how well the College is doing. Our success rates are parallel to or better than the success rates of similar institutions in other jurisdictions in Canada.

Our students experience positively their time at Yukon College, whether they're in certificate studies, diploma studies, degree studies or part-time studies. We have quite a respectable database now, demonstrating that very heterogeneous community we serve is served well and effectively.

Mr. Coghill: I think I could add a bit to that. Sally mentioned in her opening comments that we had staffed an institutional research officer and, obviously, a main objective of that position is to come up with key performance indicators for the institution that we'll be able to monitor on a forward-moving basis. We are kind of at the start of that process and establishing baselines.

Mr. Hardy: Okay. I guess you answered the question I would have following this without answering the question I asked. What I was looking for were the two ends, so I'm looking for the expectations, the performance expectations that may be identified initially at the beginning of a year and, of course, at the end how you would measure it.

So you gave me the end result, but I need to know if there is that process at the beginning.

Ms. Webber: That, too, is an evolving area. Our hope was, in compiling the key performance indicators and rolling out the measures, as Mr. Coghill has suggested, that's still in the course of implementation, that we would develop baseline information over two to three years.

That baseline information is needed before you can set targets. We frankly went into the KPI exercise not knowing just what the current level of success truly was.

To set what would be a desired level requires that you have some knowledge of where you are starting from, so we are collecting that information now.

We have joined in a couple of national exercises that will help us provide some context for setting those targets at the outset. We belong to the ACCC benchmarking process, for example. We volunteered for the Millennium Scholarship Foundation's research in this area. We believe that within the next year we should be able to set targets for improvement with respect to the key performance indicators that we've been gathering over the last two years. But it's a bit of a rolling story — first, identify what is, then identify what is the target for improvement that makes sense in a comparative context.

So to make that shorter — we are getting there.

Mr. Hardy: How do you know that Yukon College's assets are being utilized to their full potential? If you could give an example, that would be the easiest way, I guess.

Ms. Webber: By assets, is that very generic? Are you talking about our people and our physical assets and our financial assets and so on?

Mr. Hardy: We have heard a lot about the financial. Let's take a little bit of a broader look then.

Ms. Webber: I would say that we really don't know whether they've been utilized to their full potential. What I do know is that the facilities in which we operate, operate well beyond any normal government office parameters. We are busy night and day. We are, in many communities, not just a resource for training and education, but we are a resource for the whole community. I am assured by my human resources that they are more than fully utilized. In fact, they feel somewhat over-utilized in many areas of our operation.

Have we exhausted the creativity of our staff, the capacity of the organization to innovate? Absolutely not. With support and provision for staffing for innovation and for expansion, we could in fact go there.

We have looked at our space utilization — I am now speaking of Ayamdigut campus. I had a concern that we were not fully utilizing that beautiful facility. I'm pleased to say that we now have much more going on at Ayamdigut campus than has ever gone on in its history. We have invited First Nations and other cultural groups to participate in activities that complement our academic activities. So our pit, for example, has come alive with music and arts and culture and politics. Just all sorts of things are going on there. We have greatly enhanced our residence life program. This was an area, again, where we felt that we had room to develop innovative and supportive activities to make life in our residence more like a home experience, if you will.

Mr. Hardy: I'm going to stop you there.

Ms. Webber: Okay.

Mr. Hardy: That's very good. Does Yukon College have a formalized process or schedule for evaluating the effectiveness of its program, and if so, what is the follow-up to that?

Ms. Webber: The short answer is yes, we do. We have a cyclical program review process. Last night's paper showed the request for a proposal for a review of our trades and technology program cluster. Last year it was the northern human service worker program, and so on. We have developed a schedule for a thorough program review.

Mr. Hardy: What's the follow-up to that? Where does that go?

Ms. Webber: Well, we get the program review, but it's not just us. The program advisory committees are intimately involved in both the program review process and what we do then with the recommendations of the review. Those recommendations are taken very seriously. They are owned in a very important way by the Yukon public through our program advisory process. So we put those recommendations, as we can implement them, into place as soon as possible.

Mr. Hardy: What process does the board of governors have for evaluating its own effectiveness and the effectiveness of senior administration?

Mr. Neufeld: To start with the senior administrator, we do have an ongoing monitoring of the president's performance. Under policy governance, the president is the sole employee of the board, so we have lots of time to give her our full attention. There is a regularly scheduled program of reviews, both of executive limitations and of achievements toward ends, which takes place through the year. The board itself evaluates its performance by continuous communication with the ownership. The First Nations representatives, the community campus representatives, are constantly in communication with the various groups that have forwarded their nominations to have these people represent the interests of Yukon people. We don't have somebody overseeing us in a formal way to say, "Bad" or "Good", but we have far more acute attention paid to our activities by community campus committees, by First Nations, by Council of Yukon First Nations, and the board actively works as individuals to go back and get that feedback and also works as a group to have community connections. At almost every meeting, we have a community group of one kind or another from the territory to come in and talk to us and have lunch with us.

That's gone from elders councils through to — our last meeting was the Winter Games group and so on. So we have series of feedbacks, if you like, as opposed to evaluation on our performance and how well the College as an institution is meeting the needs that people see the mandate including.

Mr. Hardy: I will shift a little bit here to something more specific. With regard to the Yukon native teacher education program, what evaluation or analysis has been done of this program's effectiveness since its beginning?

Ms. Webber: Okay, we've got some history here. The Yukon native teacher education program was founded long before I got to Yukon College, so I will only speak of the history that spans the last 10 years. YNTEP has a program advisory committee that consists of the principal stakeholders in the program. I think this is very important to grasp as the first thing about program review. The best placed people to observe and improve a program are those who reflect the community that it serves.

The YNTEP advisory committee meets, at a minimum, twice a year — more frequently under times of change. They provide an ongoing quality-improvement mechanism.

The program itself has undergone, in the period of time that I've been here, two what you would call "program evaluations". Both of these program evaluations resulted in, from the perspective of the members of the YNTEP advisory committee, either incomplete or inaccurate conclusions and recommendations.

At least one of these essentially never saw the light of day again. That is a story that has to do less with the program itself or the staffing or students or partners in the programming than with the actual performance of the consulting partners who delivered the program evaluation.

In the case of the one I'm describing, no partner in the process was satisfied with the outcome.

That's it. There is ongoing monitoring and feedback around YNTEP's effectiveness in terms of recruitment, in terms of student attrition, in terms of students gaining field placement experience, in terms of students being employed within Yukon's public schools — each of those items is evaluated at almost every advisory committee meeting and certainly in planning meetings involving the three co-signatories of the program contract. That would be the University of Regina, Yukon College and the Department of Education of the Yukon.

The YNTEP advisory committee includes Yukon First Nations, elder input, contemporary students, student graduates, the Yukon Teachers Association, in addition to the signatories to the contract.

Mr. Hardy: Thank you. Actually we don't have the time to explore this question a little bit more, but I think there's some validity in doing a follow-up on it.

Very quickly, is there an evaluation underway now — I guess an independent evaluation, not so much with the people most directly being served?

Ms. Webber: The changing in eligibility for YNTEP?

Mr. Hardy: No, just an evaluation. Are there any evaluations with YNTEP right now?

Ms. Webber: No. What's happening now is that the YNTEP advisory committee is working with the recent minister's announcement of the provision of up to six seats for non-First Nation students in the program. That is going to require an implementation that takes considerable planning and input, and that's what they're working on at the present.

Mr. Hardy: There have been a lot of different numbers about how many YNTEP grads have found jobs in the Yukon education system. Have you tracked that and do you have the numbers?

Ms. Webber: I don't have the numbers with me but I can certainly provide them to you. A report containing the current status of YNTEP grads accumulated since the beginning is available and was produced for the advisory committee at the most recent meeting. I would be happy to provide it for you. I just didn't think to bring it.

Mr. Hardy: That's all right. We do accept written reports or anything you want to give us following this.

If it's possible, how much has it cost to have empty seats in the YNTEP program over the years, if any? Will the decision to open the program up to non-First Nation students bring any direct financial benefit to the College?

Ms. Webber: There are no financial benefits in filling the program. The earlier question, though, is an interesting one.

The enrolment patterns in YNTEP have, in the past, permitted some financial economies in the program. Starting in 1994, I believe — I could stand corrected on the date — one of the teaching complement positions that was originally created in the YNTEP program — when it was vacated it was left unfilled, owing to the actual number of students in the program. We didn't need surplus faculty to appropriately serve that number of students, particularly on field placement supervision. So that position has remained vacant.

With the implementation of these new seats in the program we may have to seriously revisit the staffing in the program for the upper levels of the program.

When the students go into their field practica in the schools, the level of instructional workload intensifies because it's one-on-one and they require close supervision. This is one of many of the implementation questions that the advisory committee will be reviewing.

Mr. Hardy: Okay. How does the College intend to assess whether the change to YNTEP is working or not and what process would be involved in doing that?

Ms. Webber: Again, I would defer to the YNTEP advisory committee for a fuller answer. But I could anticipate the following: there would be a need to monitor, on an ongoing basis, the satisfaction of the students and their academic success in the program. There would be a need to monitor the workloads and effectiveness of the instructor — time investment. And the proof of the pudding with any program is to be found in its graduates. We clearly want in the Yukon graduates from the YNTEP program who will become successful elementary school teachers, particularly in our community schools.

Mr. Hardy: Thank you. It sounds like there is a fair amount of work that needs to be done still in that regard — not much pre-work in it.

I am going to open the floor to any follow-up questions or new questions that might have arisen from the committees.

Ms. Duncan: I'd just like to follow up on the Chair's questions around the process for program evaluation and program review. What I understood you to say, Ms. Webber, is that the programs are reviewed, and those recommendations go to the programming advisory committee, and they are owned, if you will, by Yukoners. I think that was the choice of words you used. What are the checks and balances in the system? How do Yukoners who own those recommendations know that they have been implemented?

Ms. Webber: The process of program improvement obviously involves some management decisions. In some respects, it may be about reallocation of financial support within the program or to the program. It depends very much on the nature of the recommendations. If it's a recommendation to change curriculum to include some missing piece or to change an element of the curriculum that involves the instructional staff, and so on, the whole program review and monitoring and change process is ultimately accountable to me, and I am accountable to the board of governors for ensuring that the best possible outcomes from their work are effected.

As I say, the proof of the pudding, to a successful as opposed to a struggling program, can be found in its goals' achievement levels, and that's one of the reasons why the student exit survey is such a critical piece of data for us. It captures, on a program-by-program basis as well as an overall, just how our graduates are doing.

We are planning to implement within the next year an employer survey, and that will give us another angle on the same question. Whether you're employed by a principal in a school or whether you're employed by a business in Whitehorse, we

will be asking you how our graduates are doing. We will track their employers to see if, in fact, they are getting the quality of graduate they want. If they tell us no, they're lacking in this and that, that becomes our feedback loop for program improvement, and the program advisory committees will then work with strategies to accomplish that improvement.

So the accountability circle is a circle. It embraces the Yukon public. I see the Yukoners at large as the moral owners. I don't think every Yukoner is going to say they feel they have a direct stake in every program we offer, but they are represented in our PCOP — the President's Committee on Programming — in particular by fellow citizens with similar interests.

Our PCOP include as broad a spectrum of Yukon public as have an interest in the program area.

Ms. Duncan: Just a very short circle, then. For example, there has been lengthy discussion in this Legislature about social work and the need for additional resources in that particular branch of Health. Yukoners are aware that Yukon College has a very strong program in this area. How does the public then know that there is a connection made to an expressed public need for training at the College and that the loop has been closed? Short of being involved in this program advisory committee, how does the public know that Yukon College has seen a need and met it?

It is the same question that arises door to door in an election campaign: why does Yukon College not train more XYZ tradespeople? How does the public see that answer, short of this long time period and this advisory committee?

Ms. Webber: And all of that direct involvement?

Well, this is precisely the reason that we have stepped up our public communication. That's why we went there.

Ms. Duncan: Thank you.

Mr. Hardy: Mr. Rouble.

Mr. Rouble: Thank you very much for your frank and very comprehensive answers today. If there are other cases where you feel you didn't have an opportunity to sufficiently answer the question, we would appreciate a written submission.

Part of the mandate of the Public Accounts Committee is to ensure the effective, efficient, economical implementation of public policy. I have been going through the documentation that you provided regarding the vision and journey statement, which, I think we can all agree is a very, very broad, holistic, all-encompassing document.

And then further down, the rationale as to why the College exists — it is still a very broad, all-encompassing document. Looking at the one objective, that learners will develop a healthy balance of their whole person — intellectual, emotional, spiritual, social and physical — I'm looking at how on earth you measure whether or not this has been accomplished and how on earth, given the scarce resources that are around — I mean, there is only so much money and we don't have the availability to fund everything all of the time. It would seem to me that this mandate is so broad that we will never know if we can ever accomplish this, that the mandate will continue or it appears, anyway, to grow and grow and grow.

You've identified that your accountability mechanisms will include some key performance indicators. I'd appreciate it if you'd submit those to us —

Ms. Webber: Yes, okay.

Mr. Rouble: — so we can take a look at that. But I've got to say I'm really having a hard time comprehending how you can accomplish all of this. And based on the reality that finances are limited, will your organization ever be faced with having to focus its energies or perhaps limit its mandate or focus on more accomplishable tasks?

Mr. Neufeld: The board has a very strong sense of its role as the College in creating a future and that the future of the Yukon relies on post-secondary education and the development of individuals. While the most obvious element that we have is teaching individuals, we also do an awful lot of stuff on the development of healthy communities. There are big contributions to us as an asset in communities.

Finally, I think we are also working on the creation of a joint society. We're looking at the final agreements between First Nations and the governments of Canada and Yukon and the people of Canada and Yukon as a striking vision too. That isn't one that's narrow. It's very broad, and it has great demands on us. The board of governors looks to other institutions of government and of society in the Yukon and asks, "Who's doing that job?" That's our job. And it is to have that very broad vision of a future — sure, taking a vision of the future and trying to articulate it inside a strategic plan or a business plan is a challenge — largely one that we share with Sally here in formulating. In reporting back to the Legislature and to the people of the Yukon, I think it's a combination of both aspiration and achievement that matters. We can't just measure achievement. Measuring aspirations is hard, and I would say we need both to have a vision of what education is in the broad sense and also in the post-secondary field is and how that wraps up into the College.

I like to think of the College as a carrier of cultures. It's certainly not the only one, but we're the institutional carrier of culture.

There are families, there are individuals, communities that do that. But on an institutional basis, it's the College. So we are carrying aspirations. That is difficult to set up evaluation criteria there. It's something like looking at the end of the flashlight beam to make sure we are not falling on our face. I guess, as long as we are not falling on our face, we are achieving.

So I think the board would find it very difficult to consider limiting its vision to do that. At the same time, it acknowledges the responsibility it has in having achievements. I believe that we do have a series of ends that we monitor and various limitations to make sure we stay out of trouble, but also ends that we work toward and concrete achievements every year and every decade that this College makes that move us toward that vision.

So we need both. One is hard to monitor, I'll admit.

Mr. Hardy: Okay, we are just a tiny bit past the time. I do actually have two follow-up questions myself. They can be answered, one with a figure and one with yes or no.

What are the reserves? I have heard the reserves mentioned. Maybe I missed it.

Mr. Coghill: Do you have a copy of the financial statements with you?

Mr. Hardy: I don't have them in front of me. I'm sorry.

Mr. Coghill: Because the reserves are listed in note 12 there and there are several reserves that I'd be happy to go through with you, if you wish.

Mr. Hardy: Hang on a second. Okay.

The second one is for Ms. Webber. Do you feel that greater pressures and expectations from governments, levels of government and the public are growing on Yukon College without resources to meet them?

Ms. Webber: Yes, for a variety of reasons that I think, on reflection, most people would recognize, one being the state of our economy and the uncertainty of ongoing employment. What adults often do when their source of livelihood disappears is look to education and training to get a new direction, new bearing and new hold on working. That's where we immediately see the consequences of this cyclical economy we experience here in the Yukon.

We have also a changing society. Earlier, we spoke about implementation of self-government agreements, but that's just a small part of a larger devolutionary story that affects the Yukon government as well. So, as we as a territory take on responsibilities that were formerly administratively managed from afar, we feel also the pressures of training requests and programmatic aspirations.

We also are experiencing direct pressure related to accommodation of special needs. For many years, the Yukon education system has been able to accommodate a variety of special needs. Serving principally an older population in the past, we saw less pressure than the schools were experiencing. We're beginning to see the flow-through in our own institution and the accommodation of those needs is becoming a pressing question for us: how best to do it and how best to manage our resources to address those concerns.

We also have a much wiser public now. They know from past experience that, if a new capital project comes to their community, it is possible for Yukon College in cooperation with department officials to deliver training to prepare local citizens for local hire. As we see capital projects coming on-line, people are coming to us now and asking, "When do we get started with preparing our local citizens for the employment possibilities that are there?" Public expectations rise with service levels.

Yes, to answer your question, pressures and expectations are growing.

Mr. Hardy: There is no question — I think that the Committee hears the message regarding the funding. We have heard a lot of that in the last couple of hours. There is also the serious concern of the frustration that is often felt by staff and the pressures put down on them and that does not create a good work environment and one that often leads to stability and long-term employment if they feel that that kind of pressure is on. That's a concern too.

I know that the College has a very good reputation, and I think most people know that as well. My children, my wife and

I have all attended the College for various things and have fond memories of those times. My daughter says that the College prepared her to go on to university and continue her education, which she is still continuing better than anything than she could have ever imagined. So, to leave on a little bit of a better note, it's a compliment to the work that you're doing up there.

I am going to be closing these hearings. Before I adjourn these hearings, though, I want to thank you for coming and being very frank and forthright with your comments. Hopefully we can bring forward a report that reflects some of what we've heard.

First of all I'd like to thank all the witnesses who appeared before the Public Accounts Committee this week. As I said in my opening remarks, this is the first time the Committee has held public hearings in some years. The Committee believes these hearings have been a success, and this is due largely to the contributions of the witnesses, who were very frank and candid with the Committee.

I also would like to thank the Committee's advisors from the office of the Auditor General of Canada and the Committee's Clerk for their help this week. Without their assistance, this would have been far more difficult and onerous for us.

The purpose of the Public Accounts Committee is to help ensure accountability for the use of public funds. I believe the Committee made progress to accomplish that task this week; however, this work will only be effective if it does continue.

The Committee intends to re-establish its hearings as a regular part of the parliamentary schedule in the Yukon, and we intend to deal with new issues and follow up on questions that arise from the hearings we have just concluded.

The Committee's report on these hearings will be tabled in the Legislative Assembly, and we invite those who appeared before the Committee, and other Yukoners, to read the report and communicate to the Committee their reactions to it — so you can respond.

With that, I would once again like to thank all those who participated and helped organize these hearings. I will now declare these hearings adjourned.

Thank you very much.

The Committee adjourned at 3:10 p.m.