LEGISLATIVE ASSEMBLY OF SASKATCHEWAN May 9, 1996

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Belanger: — Mr. Speaker, we rise again today to present petitions of names from throughout Saskatchewan regarding the Plains Health Centre. The prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

The people that have signed the petition, Mr. Speaker, they're primarily from the city of Regina, and I'd like to submit these five or six pages. Thank you.

Mr. Bjornerud: — Thank you, Mr. Speaker. I also rise to present petitions of names from throughout Saskatchewan regarding the Plains Health Centre. The prayer reads:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

The people that have signed the petition are from places like Regina, Shaunavon, Moose Jaw, Esterhazy, Sintaluta, Sturgis, Coronach, Lemberg, Spy Hill, Assiniboia, Bulyea, Kamsack, Lemberg, Langbank, Rouleau. Thank you, Mr. Speaker.

Ms. Julé: — Thank you, Mr. Speaker. I too rise today to present petitions of concerned citizens from throughout the province regarding the impending closure of the Plains Health Centre. The prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

The people that have signed the petitions, Mr. Speaker, are all from Regina. I so present.

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to present petitions of names from throughout Saskatchewan regarding the Plains Health Centre. The prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

The people that have signed this petition, Mr. Speaker, are all from the city of Regina.

Ms. Draude: — Thank you, Mr. Speaker. I also rise today to present petitions of names of people from throughout Saskatchewan regarding the Plains Health Centre. The prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon.

Assembly may be pleased to reconsider closure of the Plains Health Centre.

The people that have signed this petition are from Alida, a lot from Regina, and some from Carievale.

Mr. McLane: — Thank you, Mr. Speaker. I rise again today to present a petition from concerned citizens throughout southern Saskatchewan regarding the Plains Health Centre. Mr. Speaker, the prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider the closure of the Plains Health Centre.

Mr. Speaker, the people that have signed this petition are from Regina . . . I guess they're all from Regina, Mr. Speaker.

Mr. Aldridge: — Thank you, Mr. Speaker. I too rise today presenting petitions of names from throughout Saskatchewan regarding the Plains Health Centre. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

And those who have signed this petition, Mr. Speaker, are from Fillmore, Creelman, Stoughton, and the vast majority of them though — and many pages of them, I might add — are from Weyburn.

Mr. McPherson: — Thank you, Mr. Speaker. I rise today with my colleagues and people all throughout Saskatchewan in trying to save the Plains Health Centre. The prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to reconsider closure of the Plains Health Centre.

Mr. Speaker, it appears that all of the people that have signed this petition are from Regina. I so present.

Ms. Haverstock: — Thank you very much, Mr. Speaker. I am presenting a petition today on behalf of people who are concerned about accessibility for quality and affordable accommodation in Saskatchewan. And I'll read the prayer:

Wherefore our petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take action to allow an increase in the security deposits on rental properties to the equivalent of one month's rent; and that your Hon. Assembly review the remedies available to landlords who are not given sufficient notice by social assistance tenants who vacate properties and whose rent in their new accommodations is paid by social assistance without regard for outstanding obligations in previous rentals agreements.

And as in duty bound, your petitioners will ever pray.

READING AND RECEIVING PETITIONS

Clerk: — According to order the following petitions have been reviewed, and pursuant to rule 12(7) they are hereby read and received.

Of citizens of the province petitioning the Assembly to urge the Department of Social Services to reconsider the decision to reduce the parent education and support programs; and

Of citizens of the province petitioning the Assembly to reconsider closure of the Plains Health Centre.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Belanger: — Thank you, Mr. Speaker. I give notice that I shall on day no. 53 ask the government the following question:

To the minister responsible for Northern Affairs with regards to natural gas exploration in the North: (1) have any permits been allowed for the exploration of natural gas in the northern administration district; (2) if there have, what areas are being explored and by which companies or corporations; (3) are there any corporations in northern Saskatchewan that receive a subsidy, grant, or forgivable loan for operations in the North; and finally, (4) in the event of future exploration of any resource in the northern administration district, will the minister advise this House and northern residents in advance of the proposed exploration?

Ms. Draude: — Thank you, Mr. Speaker. I give notice that I shall on day no. 53 ask the government the following question:

To the minister responsible for Executive Council: (1) how many government-funded tenders were awarded to union-only firms in the fiscal year '95-96; (2) what was the total dollar value of these tenders; (3) how many government-funded tenders were awarded to non-union firms in the fiscal year '95-96; and (4) what was the total dollar value of those tenders?

INTRODUCTION OF GUESTS

Mr. Heppner: — Thank you, Mr. Speaker. I'd like to introduce to you today and, through you, to the rest of this House a group of students and staff that I'm very excited to introduce today. They come from Hague, Saskatchewan from Hague High School. They are seated in the east gallery and behind the bar over here.

The staff is Margi Corbett, Scott Richardson, and chaperon Kathy Dueck. The reason I'm excited about introducing this group of youngsters — students in senior high; sorry, we'll get it right — is that that happens to be the school that I taught my first year in, decades ago. And approximately 3 years ago, I was asked to come back for a short term again, and so I know these students and their parents very well. Give them a good welcome to Regina, please.

Hon. Members: Hear, hear!

Mr. Aldridge: — Thank you, Mr. Speaker. I would also like to introduce to you, and through you to the members of the Assembly here today, a group of 39 grade 8 students from Gravelbourg School accompanied by their teachers, Doug Bell and Ron Loiselle, and teacher aides Terri Alix and Sheryl Cooper, and also a number of drivers here today who made it possible for the students to attend.

And I'm looking forward to talking with them later on this afternoon. But if you would just all help me in welcoming them here today.

Hon. Members: Hear, hear!

Mr. Kowalsky: — Thank you, Mr. Speaker. Today on behalf of my colleague, the member from Prince Albert Northcote, it's my pleasure to introduce 25 grade 9 students who are seated in the west gallery. These students are from the Queen Mary Community School, and I must say, it is a very good school at that. It's the school where there's a great deal of parental and community involvement, and visitors are always welcome.

And with them today are their teachers: Marg Mayotte, Mark Hastings, and Clint St. Denis. And I look forward to visiting with them later and having drinks, courtesy of the member from Prince Albert Northcote.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Saskatoon Economic Development Authority

Mr. Koenker: — Thank you, Mr. Speaker. When the United Nations says that Canada is the best place in the world to live and the Conference Board of Canada follows that up by saying Saskatchewan is the best place in the world to live, we shouldn't be surprised that the world is beating its doorstep to Saskatchewan and that the headlines . . . that the Saskatoon Economic Development Authority is a big hit on the Internet.

Thanks to enterprising citizens and first-class educational institutions, the numbers of hits or visits to the Saskatoon Economic Development Authority is growing by almost a thousand visits a month.

And the word about good things happening in Saskatchewan isn't just relegated to the Internet. Thanks to Canada Post, Saskatchewan's achievements and genetically altered canola are featured recently on a set of four stamps that have been issued by Canada Post. And this set of stamps celebrates Canada's biotechnology and high technology achievements.

Companies with the right blend of talent and experience and savvy know that they can lessen the risk and increase the rewards of working on the leading edge of technology by coming to Saskatchewan, and Saskatoon in specific. As we face the challenges of the 21st century, the world knows that Saskatchewan is the place to be. And the address on the Internet is www.lights.com/sreda. Thank you very much.

Some Hon. Members: Hear, hear!

Member Marks 25 Years of Public Service

Ms. Draude: — Thank you, Mr. Speaker. Twenty-five years have come and gone, but even after all that time we still see the member from Regina Dewdney sitting in this House. Long ago his wife and children donated him to the Saskatchewan public service where he's held a wide range of portfolios.

Sincerely on behalf of my colleagues, we would like to extend our congratulations on his 25 years, on the anniversary of his 25 years in public service. My colleagues and I are hoping we'll be invited to attend your next party, and hopefully it'll be a retirement party.

Some Hon. Members: Hear, hear!

Tourism Promotion

Ms. Hamilton: — Thank you, Mr. Speaker. Tourism Saskatchewan is quick out of the starting gate. Earlier this week, three tourism organizations combined efforts to form Tourism Saskatchewan. Earlier this week, we had an opportunity to also tour that facility. And, Mr. Speaker, it is indeed impressive.

Well today Tourism Saskatchewan has announced a promotion geared to boosting in-province travel. The promotion is called "Seymour Seitz and The Great Saskatchewan Gold Rush." It offers \$15,000 worth of gold and other prizes to Saskatchewan vacationers who visit at least 3 of the province's 11 tourism regions and can name the location of the gold buried at a well-known Saskatchewan tourism destination.

This promotion will create awareness of the hundreds of tourism destinations Saskatchewan has to offer and will help keep our vacation dollars in the province as a means for creating even more jobs and supporting our small businesses.

Many sectors of the economy are linking with tourism industry because its growth potential is extremely high. Tourism currently injects \$1 billion into our provincial economy every year and employs 1 in every 11 Saskatchewan workers. With initiatives such as the one being launched today, these figures have nowhere to go but up.

Congratulations to Tourism Saskatchewan for promoting our great province and creating awareness of this great industry.

Some Hon. Members: Hear, hear!

Passing of Senator Hastings

Mr. Belanger: — Thank you, Mr. Speaker. Today I'd like to pass along condolences to the family and friends of the late Senator Earl Adam Hastings. Senator Hastings passed away on Sunday at the age of 72.

He was born and educated in the city here, and he went on to serve on the Royal Canadian Air Force in the 1940s. Later on he managed to combine his interest in politics and social reform. He was appointed to the Senate by then prime minister Lester B. Pearson in 1966. He had a long, illustrious career as a Liberal senator for over 30 years.

On behalf of my colleagues, I'd like to extend my condolences to Senator Hastings's families and friends. Thank you.

Some Hon. Members: Hear, hear!

Multiple Sclerosis Awareness Day

Ms. Murrell: — Mr. Speaker, today is Multiple Sclerosis Awareness Day. Multiple Sclerosis is the most common disease of the central nervous system affecting young adults. The statistics concerning multiple sclerosis, known as MS, are staggering. An estimated 50,000 Canadians have MS.

Can you imagine having to go through life having vision problems, numbness, loss of balance, and even paralysis? Those are just a few of the problems people with MS have to face on a daily basis.

Earlier this week, I was pleased to participate in flag raising ceremonies in the Battlefords to raise awareness of this disease. I would like to congratulate all of the Saskatchewan chapters of the MS Society for their hard work. The Battleford chapter will be holding a walkathon this weekend to raise funds for this worthwhile cause, and I'm pleased to participate in this event.

Mr. Speaker, it is important to recognize the efforts of these people, many of them volunteers, some of whom we have seen handing out carnations outside the Assembly today, who are raising awareness about MS. As yet, the cause and cure for this disease are unknown. The official opening of the Cameco MS Neuroscience Research Centre in Saskatoon this year is an important step in the search for answers about multiple sclerosis.

Let us hope that soon we'll be on the brink of a brighter day when this disease can finally be declared a thing of the past. Thank you.

Some Hon. Members: Hear, hear!

Bruno SADD Chapter

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize the Bruno chapter of SADD (Students Against Drinking and Driving). They recently took part in the victory tour of the Canadian Centre on Substance Abuse Medallion of Distinction. This is a national award to recognize substance abuse problems in Canada.

Bruno, one of the first SADD chapters formed, has been very active over the years. I had the opportunity to attend the school assembly at Bruno and speak in support of SADD at both the local and provincial levels.

The Bruno chapter is an enthusiastic group and actively participated in Impaired Driving Awareness Week. They were involved in "Sound-Off-Send-Off", presentations to elementary students, and had many in-school displays. Seven delegates

attended the national conference in Saskatoon. They wound up the week hosting a chemical-free banquet and dance with 160 people in attendance.

Congratulations to the president, Aimée Basset; vice-president, Tasha Dagenais; secretary, Brandy Buckle; and the treasurer, Laura Huber; and to the Bruno chapter of SADD.

Some Hon. Members: Hear, hear!

Ogema Hosts Dance Competition

Ms. Bradley: — Thank you, Mr. Speaker. Mr. Speaker, I ask your indulgence as I'm feeling quite light of foot today. Ogema, one of my communities, has just added considerable bounce to the steps of people all across my constituency. I am referring to the Ogema Dance Club which hosted a regional dance competition on April 27. Dance clubs from Weyburn, Bengough, Francis, Radville, and Pangman, as well as Ogema, took part in this wonderful community event.

The dancers ranged in age from 5 years and under to 18 years old, competing in the areas of ballet, highland, tap, and jazz dancing. I am pleased to report that my constituents are all a very nimble and artistic bunch. All of the towns that participated in the Ogema competition had winning performers.

A highlight of the competition was the Ogema Dance Club's production number called "No Limits". This ambitious production included 23 dancers from Ogema who range in age from 6 to 18 years old. A spectacular achievement of staging, coordination, and art.

Dance clubs and hosting competitions take incredible community involvement and commitment. I ask that this House join me in congratulating the Ogema Dance Club for hosting this event as well as the dance clubs from the other participating towns. I appreciate your part in bringing dance opportunities to the children of our communities, and music to all of our hearts.

Again, a hearty congratulations to all of the dancers, parents, and teachers.

Some Hon. Members: Hear, hear!

75th Anniversary of the Yorkton Rotary Club

Hon. Mr. Serby: — Thank you, Mr. Speaker. It's a pleasure for me to share with you and members of the House a very special event that took place in my constituency this past week.

On Monday I had the privilege of joining the members of the Rotary Club in Yorkton in celebrating their 75th anniversary. Seventy-five years demonstrates the club's dedication to the ideals of service, of helping our youth, the community, seniors, and projects all around the world.

One example of the club's memorable service is that they were the catalyst to start the seniors transportation program, the first of its kind in Saskatchewan, which to date has benefited hundreds of seniors across our communities in Saskatchewan and have been replicated in many other communities. Their motto of "Service Above Self" helps build on positive initiatives to further our friendship and to focus attention on helping those who are less fortunate than we are throughout the world

I would like to ask members of the Assembly to join with me today in congratulating the members of the Yorkton Rotary Club on their 75th anniversary as well as to commend them for all of the hard work and tremendous contributions that they have made to the city of Yorkton and to our great province.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mental Health Week in Saskatchewan

Mr. Pringle: — Thank you very much, Mr. Speaker. Mr. Speaker, as you know, this is Mental Health Week in Saskatchewan. Several members of the Assembly joined 400 others in Regina at the mayor's luncheon a few minutes ago.

Mr. Speaker, stress and mental illness in all its forms affects more citizens than all other health problems combined. Yet many of us know very little about mental illness. The important activities of this week, like the mayor's luncheon, will go a long way to enhance public awareness and education and to remind us that those experiencing mental illness face important challenges every day.

Thank you.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Home Care Workers' Collective Bargaining

Mr. McPherson: — Thank you, Mr. Speaker. Mr. Speaker, when this government came to power it promised proper care for our sick and elderly — a promise they have failed to live up to

As 1,500 home care workers prepare for possible strike action, the nurses' union is also preparing to head to the bargaining table. Will the Minister of Health explain where any wage increase arising from negotiations involving home care workers will come from?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, the parties to this collective bargaining — that is the union representing the home care workers, and SAHO (Saskatchewan Association of Health Organizations) which represents the hospitals — are engaged in a process of collective bargaining, as is the union of nurses and SAHO.

And it's best not to politicize these issues; it is best to let the parties work the matters out between them. And I have every confidence, Mr. Speaker, that if the parties are left to bargain in

good faith, as I'm sure both sides are going to do, that there will be a successful resolution of their bargaining. Their bargaining is continuing, Mr. Speaker.

I believe in the collective bargaining process and I have every confidence that the parties will resolve their differences.

Some Hon. Members: Hear, hear!

Mr. McPherson: — Well, Mr. Minister, it's not the bargaining process that's the problem; it's your funding, and lack of.

Mr. Speaker, this government has already reduced funding to many health districts this year; cuts that have resulted in the closure of facilities, further reductions in services, and more lay-offs to front-line health care workers.

If this government forces health districts to come up with funds to accommodate wage increases for home care workers there will be even further lay-offs and more facilities closing. The hands of district boards are tied, Mr. Speaker. They simply have no room to make further cuts.

Mr. Speaker, when this government brought about health care reform it was based on the promise of proper home-based services. Will the minister explain why such a promise was made if in fact his government now refuses to properly fund them?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well, Mr. Speaker, as the member well knows, the budget for home-based services has increased quite dramatically each and every year since this government came to office.

And I want to say to the member, as the member also well knows, that this government has not cut spending to health care. Mr. Speaker, the only cut we've had to health care spending in Saskatchewan is a \$50 million cut from the Liberals. For every dollar the Liberals took out of health care, this government, the New Democrats, put a dollar back in.

We all know that it is difficult to live within a budget, but that is what we must do, Mr. Speaker. The budget for health care this year is the same as last year; we have not cut health care spending. We have increased spending for home-based services. The member knows that. The member is simply trying to play politics, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. McPherson: — Mr. Speaker, obviously it's not a case of politics. They have relied on home-based services. You've closed hospitals. You've kicked people out of nursing homes. And now you're not properly funding the other system that you promised.

Mr. Speaker, time after time we have demonstrated the ever-widening cracks in Saskatchewan's health care system. And it is because of this government's actions that our sick and elderly are terrified of your health care system. Yet this

government will force further reductions if health districts have to use home care funding for further wage increases.

Mr. Speaker, this government promised — they promised — a safe, reliable health care system. This government made a commitment to properly fund that home-based system. If this government is truly committed to upholding these promises, will the minister stand in this House today and state that health districts will not be forced to absorb a negotiated wage increase for home care workers? And will this government stand up today and say that they will fund it properly?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, as I've said in the House before, we have said to the districts that they will not be forced to absorb the \$50 million cut to health care spending imposed by the Liberals. We did not pass that cut on to the districts, which would've resulted in a 3.8 per cent cut to the districts, Mr. Speaker. We back-filled for the Liberals when they abandoned their commitment to medicare.

But I want to say, Mr. Speaker, that it's very unfortunate that we continue to see the Liberals engage in fearmongering. They're prepared to get up in this House day after day and make statements like, people are being thrown onto the street; the sick and the elderly should be terrified.

Mr. Speaker, Saskatchewan is a compassionate province. The workers of Saskatchewan are compassionate, and the Government of Saskatchewan is compassionate, Mr. Speaker. And we are going to continue what we have done for the last 30 years, and that is to fund the publicly funded medicare system which that party is opposed to, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I too am getting calls from seniors and their families who are frantic about the impact this possible home care strike will have on them. They desperately need to know what will become of them if home care workers do walk off the job. For many, home care is their last resort. They want to know what back-up plan is in place. They are asking me, will they be placed in hospitals? Who will look after their safety?

Can the Minister of Health tell us how he will uphold his promise to ensure that Saskatchewan seniors will still get the crucial care they require if home care workers walk off the job?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, I have every confidence that the parties, bargaining together, will resolve any differences they might have. And I would remind the member that the parties are still in bargaining.

But I would also say to the member that this province has a history of caring for people, Mr. Speaker, and the safety and security of each and every resident of Saskatchewan is going to be taken care of, Mr. Speaker, in a reasonable fashion. And I don't believe that despite what the Liberals may say that there

are people in this province that work in the home care sector that are going to put anyone's lives at risk, Mr. Speaker. This is unfortunate fearmongering and I think politicization of a process that ought not to be played out in a partisan way, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Julé: — Mr. Speaker, many other calls I am receiving are from seniors and concerned families from Cudworth and Wakaw. Like other health districts across Saskatchewan, they are now facing massive funding cuts. And it could mean the closure of the Cudworth hospital this year, and more than likely cuts to nursing home beds next year.

One of the patients in the Cudworth Nursing Home is a frail 100-year-old woman who had her leg amputated last year. She has just been accepted into a nursing home after waiting 14 months on a waiting-list. Now she and her family are wrought with worry about what will happen to her if nursing home beds are cut

Seniors should be able to spend their last years with some sense of security and dignity, but that is not the cold reality for many of Saskatchewan's elderly because of promise after promise that is being broken by this government. How can the Minister of Health honestly say, as he has many times in this House, that there is no crisis in Saskatchewan health care?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, it saddens me that members of the legislature would get up and suggest that elderly people in nursing homes would be taken out of their homes and would have no place to go, and that that has happened or that it would happen because, Mr. Speaker, it has not happened, even though those members continue to say that it has happened. And, Mr. Speaker, it will not happen.

Mr. Speaker, this is simply alarmist fearmongering from the Liberals. They have been at it for a long time. Fearmongering is the last refuge of the Liberal Party when you've got the Liberal Party on the run — as they are, Mr. Speaker.

Some Hon. Members: Hear, hear!

Provincial Park Fees

Mr. D'Autremont: — Thank you, Mr. Speaker. My question is to the minister for the Environment. Mr. Minister, your government has found yet another way to siphon money out of the pockets of Saskatchewan people. You plan to grab another \$600,000 from campers and visitors by jacking up provincial park fees by an average of 10 per cent. And the government spokesman says you're not ruling out further increases in the future.

Mr. Minister, why is this latest revenue grab necessary? Isn't it going to hurt the tourism industry in this province, an industry your government is supposed to be helping?

Hon. Mr. Wiens: — Mr. Speaker, the members opposite have a

very short memory about the management of finances. The fact is that the Saskatchewan park system is one of the best-run park systems in Canada. It's one of the most valued and well-used park systems in Canada. I'd have the members know, if they care to take a tour through the park system in summertime sometime, they might notice there's more Albertans in the Saskatchewan park system than there are Albertans in the Alberta park system.

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — And they would know it because the quality of the camping system in Saskatchewan is of a very high quality, and we're going to keep it there. And the fact that we can't subsidize any more than we have in the past is entirely attributable to the mismanagement of the member who asked the question.

Some Hon. Members: Hear, hear!

Gaming Addiction

Mr. Heppner: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for gambling. Madam Minister, you have said that your gambling expansion program would not lead to an increase in gambling addiction; however, calls to your gambling help line have almost doubled since the Regina casino opened in January. The number of calls has gone from 136 in December to 234 in March.

Madam Minister, will you admit something that is obvious to every citizen in Saskatchewan, that your casino expansion program is clearly leading to greater gambling addiction problems?

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. I want to respond to the member's question in a couple of ways. First of all, in the province of Saskatchewan today, Mr. Speaker, we have some of the best health care services and counselling services anywhere in Canada. Mr. Speaker, what we have . . . and those programs were established, Mr. Speaker, in advance of the expansion of gambling in this province.

Currently in Saskatchewan we have, Mr. Speaker, in all of the health districts across the province, people who have been trained in the gambling field, in the gambling addictions field; and certainly what we're seeing, Mr. Speaker, in this province is we're seeing that all of our gaming activities in Saskatchewan are conducted in a very strict and regulatory fashion.

The benefits of all of the revenues that we receive through the gaming industry, Mr. Speaker, are equitably distributed across the province. And we have some of the finest policies in the country, Mr. Speaker, and as I speak, I've had the opportunity of meeting with at least three representatives from outside of Saskatchewan looking at our gaming policy in Saskatchewan

The Speaker: — Next question, next question.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. Mr. Minister, you can talk all you want about the people you have in place. The question is not who's in place, the question is how many people are having gambling addictions? And those numbers are going up and you know it. There are more casinos scheduled to be opened before the end of the year. That will mean more addiction problems. It'll mean a greater demand on the facilities that you're bragging about.

Mr. Minister, virtually every gambling addiction expert says that VLTs (video lottery terminal) are the most addictive form of gambling, and your casino expansion is looking at an extra 1,000. Gambling is expanding; gambling addiction is expanding, and so is expanding the hurt to families and children because of it. But your gambling addiction programs are not keeping up.

Mr. Minister, what further measures are you taking to deal with the serious problem your government has created?

Hon. Mr. Serby: — Well thank you, Mr. Speaker. I want to remind the member opposite that what we have done as we establish gambling in this province is established a very solid policy and distinctive policy in terms of gambling development in Saskatchewan.

We have, Mr. Speaker, 3,600 VLTs in this province, which were reduced from 4,000 two years ago. We have 1,000 slot machines in this province, Mr. Speaker. We have 43 bingo halls, and we have through our gambling industry, Mr. Speaker . . . supporting the hotel industry somewhere to the tune of \$24 million a year. We have provided jobs to aboriginal people across the province — nearly a thousand aboriginal jobs, Mr. Speaker, that will be in place after the opening of the casinos.

We have, Mr. Speaker, also over 1,200 charities that are supported in this province through the recreational sports and culture 6/49. And if the member opposite cares to look at the information out of Ontario yesterday, I note that the Harris government will be introducing in his province for this budget somewhere in the . . .

The Speaker: — Order, order, order. Next question.

Some Hon. Members: Hear, hear!

Funding for Christian Counselling Services

Mr. Toth: — Thank you, Mr. Speaker, Mr. Speaker, my question is to the Minister of Health. Mr. Minister, I have received a number of calls and letters regarding your government ceasing to fund the Christian Counselling Services organization in Saskatoon.

Mr. Minister, your government has money to build casinos, and you know these destroy families. You have money for a 1-800 line to give teenagers abortion information, but no money for an organization that counsels pregnant women through their pregnancies to help find suitable parents for children.

I'd say, Mr. Minister, that your priorities are in the wrong place. Why are you ceasing to fund Christian Counselling Services?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — I'll take notice of this question.

Mr. Toth: — Well, Mr. Minister, as I indicated earlier, this question . . . And I think the Minister of Health could certainly answer this question. I believe the minister has the ability and the responsibility.

But in regards to that, Mr. Minister, while you're looking at it and while you're ... you take notice on why you're going to contact ... if it's the Minister of Social Services, as you're telling me, if you would just ask the minister and ask maybe the Premier why you continue to fund programs and facilities that hurt Saskatchewan families while you cease funding organizations that help Saskatchewan families.

Many people have utilized this service. This service has provided a sound basis for adoptions in this province. And, Mr. Minister, will you ask that question of the minister as well?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Thank you, Mr. Speaker. I'll give a very brief answer in general terms on behalf of the government, mainly in response to the minister's . . . the member's comment about, or the implied comment about, the lack of commitment of this government to families and for those people who are at the bottom end of the ladder.

And I repeat, Mr. Speaker, to you and all members of the House, that over the four and a half, five years that we've been in government — notwithstanding some very severe, difficult financial circumstances, the result of which I may remind the member once more is the result of the Conservative government — I'm proud to say that our programs with respect to social services have not been reduced. In fact they've been enhanced and they've been reorganized to be more efficient in order to help individual families and people.

The specific question that the member asks about, the House Leader has taken notice, and we'll provide the specific answer when the minister returns

Some Hon. Members: Hear, hear!

The Speaker: — Order. I want to remind the Premier that you cannot answer a question and then take notice. The notice was taken for the first question.

Funding for Fort Qu'Appelle Hospital

Mr. Belanger: — Thank you, Mr. Speaker. Mr. Speaker, it's not only the members of our caucus who are standing up to fight for health care. Last night in Fort Qu'Appelle, hundreds of people packed a room to protest the government's 22 per cent cut to the Fort Qu'Appelle Indian Hospital. These people are putting the blame exactly where it belongs — with the NDP (New Democratic Party) government.

Mr. Speaker, the Leader of the Official Opposition, the member from Melville, was there, but he was the only MLA (Member of the Legislative Assembly) who attended this very, very important meeting.

Mr. Speaker, I would like to know why the minister did not bother to attend this meeting, and if this is the level of commitment that this government has towards health care in our province.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — I'd like to say, Mr. Speaker, that there will continue to be a hospital in Fort Qu'Appelle. But there is a dispute going on in Fort Qu'Appelle, and the dispute, Mr. Speaker, is between the hospital, which would like more money from the district health board, and the district health board.

I want to say to the member that the district health board concerned, namely the Touchwood Qu'Appelle District Health Board, received an increase in funding this year, Mr. Speaker, not a decrease. But the district health board has the obligation of determining how it should allocate its resources and spend its money. That's what it's doing.

It is in the process of planning acute care services in the district. That's the job of the district health board. It is not the job of the member or myself to interfere in that process or to try to politicize that process, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Belanger: — Thank you, Mr. Speaker. This government has played dirty pool and continues to deflect the blame every time they've had bad news for Saskatchewan people. They blame the federal government. And their latest tactic seems to be pitting one community against another.

It is the NDP government that has severely slashed health care funding. But instead of taking responsibility for the cuts, they are letting health districts fight their battles for them. Already some people from Balcarres and Lestock are upset with Fort Qu'Appelle for wanting a larger portion of their funding. And this is a scenario that's playing over and over again throughout the province — not us, not us. But this blame is misplaced. It is time for the government to shoulder the burden.

Mr. Speaker, how can the Minister of Health pit these communities against one another and cowardly stand aback while these boards fight for badly needed funding. Where is his conscience?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — I would remind the member, Mr. Speaker, when the member gets up and talks about cut-backs, and the member says, don't blame somebody else, I say this to the member I'm not going to apologize for stating the fact that the Liberals have cut the health care budget in Saskatchewan by \$50 million. Not the New Democrats, Mr. Speaker — the Liberals. And for every dollar that the Liberals have taken out of health care, Mr. Speaker, the New Democrats have put a

dollar back in. And so I say to the member, why do we blame the Liberals for cut-backs to health care? Because the Liberals have cut back. We have not cut back, Mr. Speaker.

And what indicates how false the member's question is, the basis of the question, Mr. Speaker, is that the health board concerned did not get any cut-back from the province. We didn't cut back. We didn't pass on the federal cut-back. The health board actually got an increase, Mr. Speaker. So I say to the member, get real, Mr. Member.

Some Hon. Members: Hear, hear!

Mr. Belanger: — Thank you, Mr. Speaker. Enough is enough. Health care cannot continue to take these fatal blows. And people will not continue to watch this government break promise after promise.

Mr. Speaker, this government had made a commitment to provide \$2.4 million to this Indian hospital. They made a commitment — and in writing, no less. Still the government thought nothing of cutting funding to district boards, and now they're using districts to buffer criticism of their poorly planned and executed policy choices.

Will the minister tell the residents of the Touchwood Qu'Appelle Health District — and for that matter, residents throughout Saskatchewan — that they will start to take responsibility for their actions and that they will follow through on their promised funding?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well I realize, Mr. Speaker, that the member has to get through his list of questions, regardless of what the answers may be.

But I want to say to the member that if he and his colleagues take the position, in a dispute between an institution and the health district, that one community should get more money, it also means that the other communities in the health district therefore get less money. And if the members opposite think that that's the position they should take within the boundaries of a health district, they can take that position — they can favour one community over another.

What we're going to do, Mr. Speaker, is leave it to the district health board, to the people in the community, to allocate funding. That is their job, Mr. Speaker. And the funding has been provided, and that member knows it.

Oil Company Boycott

Ms. Draude: — Thank you, Mr. Speaker. Earlier this week we saw two NDP back-benchers break ranks over the government's pension responsibilities. Yesterday the government member from Regina Coronation Park broke rank by supporting a federal NDP-led boycott of Esso stations.

Mr. Speaker, the federal New Democrats are attempting to score cheap political points at the expense of small-business retailers. Myron Knafelc, an Esso retailer in my constituency, said, and I quote:

People could boycott every Saskatchewan Esso service station and the company would not feel the pinch at all, but every local retailer in the province could go out of business.

Mr. Premier, this is your chance to show that you truly care about Saskatchewan business, and are willing to forgo politics for a change. Will the Premier stand in this House today and condemn this ill-conceived boycott that will hurt our business, and that his federal counterparts are proposing and a member of his government is supporting?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I must smile a little bit at the question for the inconsistency that it reveals of the fundamental position of the Liberal Party. This member today gets up and asks us to condemn the boycott, and by inference therefore, to support the high prices that the oil companies are levying on the motorists and the ordinary citizens of this province's country, while just the other day the member from the Touchwood . . . the member from Moose Jaw . . . Which riding?

An Hon. Member: — Thunder Creek.

Hon. Mr. Romanow: — The member from Thunder Creek is condemning us for not having taken part in the boycott. Again this is an example of fundamental contradiction by the Liberal Party.

Mr. Speaker, the position of the government is clear. It is the responsibility of Ottawa to come to grips about this issue, about whether or not the oil companies are gouging the motorists and the ordinary taxpayers and people of this country and this province. The combines commission must be dealing with this.

We say that Mr. Solomon and the federal MPs (Member of Parliament), by raising this issue, are doing the public a service. And the Liberals should be joining us and other MLAs who show that concern too.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 88 — An Act to amend The Queen's Bench Act

Hon. Mr. Cline: — Mr. Speaker, I move that a Bill to amend The Queen's Bench Act be now introduced and read the first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

Bill No. 89 — An Act to amend The Dependants' Relief Act

Hon. Mr. Cline: — Mr. Speaker, I move that a Bill to amend The Dependants' Relief Act be now introduced and read the first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

Bill No 90 — An Act to amend The Provincial Mediation Board Act

Hon. Mr. Cline: — Mr. Speaker, I move that a Bill to amend The Provincial Mediation Board Act be now introduced and read the first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

The Speaker: — Why is the member on his feet?

Hon. Mr. Cline: — Mr. Speaker, with leave, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Cline: — Thank you, Mr. Speaker. I am sure that I speak on behalf of all my colleagues when I say that it is a great pleasure to introduce to the Assembly our former Health minister, Louise Simard, who is sitting in your gallery, Mr. Speaker, and her mother Antoinette, who is also seated in your gallery.

In 1991 this province began reforms to our health system in order to strengthen universal medicare for our generation and for generations to come. As a result of Louise's courage, vision, wisdom, and strength, we now have a health system in Saskatchewan that the rest of the world is looking to for guidance — for guidance on how best to provide health services across Canada and around the world on the basis of need, not ability to pay.

I was very pleased to learn today, Mr. Speaker, that the Saskatchewan Registered Nurses' Association have recognized this contribution by making Louise an honorary SRNA (Saskatchewan Registered Nurses' Association) life member. I would ask . . .

Hon. Members: Hear, hear!

Hon. Mr. Cline: — And so I was going to ask all members of the Assembly to join with me in welcoming and congratulating Louise, and also welcoming her mother Antoinette here today. Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

The Speaker: — Why is the member on his feet?

Mr. Boyd: — With leave, for the introduction of guests as well.

Leave granted.

Mr. Boyd: — Thank you, Mr. Speaker. We too in the PC

(Progressive Conservative) caucus would like to welcome the former member, Ms. Simard, and her mother to the Chamber here this afternoon.

As I think back fondly on the many debates that as Health critic I had with the minister at the time, and the winning debates that I was involved in, it is with great pleasure that we see you back in the House. And we want to congratulate you on being nominated by the SRNA, is it? — yes — today. It is very nice to see you again.

Hon. Members: Hear, hear!

The Speaker: — Why is the member on his feet?

Mr. McPherson: — Introduction of guests also, Mr. Speaker.

Leave granted.

Mr. McPherson: — Thank you, Mr. Speaker. I would like to join with the government and the third party in welcoming back to the legislature Ms. Lingenfelter — Simard-Lingenfelter. And congratulations on the appointment by SRNA.

And of course I've had many bouts with Louise over the health care issues, which I'm happy to say we've passed on to the current Minister of Health. But we do appreciate you having taken time to come back to the legislature. And it's great to see you in the galleries and not on the floor. Thank you.

Hon. Members: Hear, hear!

The Speaker: — Why is the member on his feet?

Mr. Sonntag: — With leave, to introduce guests.

Leave granted.

Mr. Sonntag: — Thank you, Mr. Speaker. I'd like to join with those prior as well who introduced. But, Louise, you will excuse me if my focus is not on you and not on an honorary constituent but on a permanent constituent, Louise's mother Antoinette, who lives in Meadow Lake, is a constituent of mine and a neighbour and good friend. And, Antoinette, it is very nice to see you down here today, so welcome. And join with me in welcoming her here today, please.

Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Hon. Mr. Shillington: — In keeping with our practice of being open and accessible, I'm pleased to table a response to question no. 89.

The Speaker: — The answer to question no. 89 is tabled.

Hon. Mr. Shillington: — Again in keeping with our growing reputation of being open and accessible, I'm pleased to table the

answer to question no. 90.

The Speaker: — The answer to question 90 is tabled.

Hon. Mr. Shillington: — Once more, I'm pleased to table a response to this question as well.

The Speaker: — The answer to question 91 is tabled.

Hon. Mr. Shillington: — As soon as they're asked, they're tabled. I table the answer to this as well.

The Speaker: — The answer to question 92 is tabled.

Hon. Mr. Shillington: — I table this one as well, Mr. Speaker.

The Speaker: — The answer to question 93 is tabled.

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 70—An Act to amend The Urban Municipality Act, 1984 and to make consequential amendments to other Acts

The Chair: — I would ask the minister to please introduce her officials.

Hon. Mrs. Teichrob: — Thank you, Mr. Chairman. On my immediate left is John Edwards, the director of municipal policy and legislative services. On my far left is Gordon Hubbard, senior municipal advisory . . . in the senior municipal advisory role. Behind me is Perry Erhardt, legislation officer. And on Perry's left is Sharon Markesteyn, senior policy analyst.

Clause 1

Mr. Bjornerud: — Thank you, Mr. Chairman. And, Madam Minister, I'd like to welcome your officials here today. Mr. Chairman, due to that this is a very complex Bill and SAMA (Saskatchewan Assessment Management Agency) is very ... there's a lot of stuff in the SAMA Bill, we may at times be taking our time. So, Madam Minister, if you would be patient with us at times.

I'd like to start with clause 3, Madam Minister, and the definition of pipeline is changed so that the flowlines are no longer included. What was the purpose of this, Madam Minister?

(1430)

Hon. Mrs. Teichrob: — Mr. Chairman, following extensive consultation which included consultations with the industry, some of the provisions in the tax policy regime that currently relates to the oil and gas industry have been amended, and that is the reason for that change.

Mr. Bjornerud: — Okay, thank you, Madam Minister. The definition of pipeline is also changed so that valves, scrapers traps, fastenings and appurtenances to the line of pipe are no

longer included in the definition. Did the pipeline industry want this change, or what was the purpose of that?

Hon. Mrs. Teichrob: — Mr. Chairman, this is simply a clarification for assessment purposes, and they are not assessed now and there's no change. But it's simply a clarification.

Mr. Bjornerud: — Thank you, Madam Minister. Can you tell me then, then how will the revenue effects . . . the rise from the changes that we have just gone through here and some of the other, previous ones in clause 3?

Hon. Mrs. Teichrob: — Mr. Chairman, there are no revenue effects from these particular amendments because it's simply a clarification of definitions, but the status of how these things that are being defined here are treated for assessment purposes does not change. It's simply a clarification of definitions.

Mr. Bjornerud: — Minister, what you're saying is this will not affect the assessment at all then, change the assessment of the value?

Hon. Mrs. Teichrob: — Mr. Chairman, although I referred to some changes that will occur, none of it is occasioned by the changes in these definitions.

Mr. Bjornerud: — Clause 5, Madam Minister, and we're talking about letters and petitions here and the changes that are being made here. Is there not another way to deal with letters than what is being dealt with in this Act? Was there no other way that we could have done this?

Hon. Mrs. Teichrob: — Mr. Chairman, this amendment is simply a clarification and doesn't change the status of a letter to a council. A letter to a council never was ... always had a different status than a petition to a council. And this ensures that the flow of communications with council is not impeded by requirements to verify the signatures on routine requests from citizens to council.

Mr. Bjornerud: — Thank you, Madam Minister. If I understand right, the problem here was that councils were treating letters and everything else as such as petitions. Could the government or could you not have give a definition of a letter which would make it clear that it is something different than a petition? Would that not have been another way to go?

Hon. Mrs. Teichrob: — Mr. Chairman, we are accomplishing what the member suggested in a slightly different way. Instead of defining letter, we are further . . . in some sections we will come to further, we are clarifying and better defining and changing some of the rules surrounding petitions. And then anything other than a petition would be deemed to be a letter or a routine communication.

Mr. Bjornerud: — Thank you, Madam Minister. I'm wondering if it's a good idea to do away though with the tried and true rules for petitions when it would be maybe better to restrict the number of situations when those rules would be followed?

Hon. Mrs. Teichrob: — Well I think, Mr. Chairman, I think not. What we are doing in the provisions that respect petitions is trying to make sure that the petitions are more timely and relevant, and clarifying the rules surrounding petitions. But I don't think we would want to complicate the procedure that happens when ratepayers and citizens are communicating routinely with their council in writing.

Mr. Bjornerud: — Thank you, Madam Minister. Madam Minister, the new miscellaneous rules in clause 21 regarding assessment concern me because of their detrimental effect on municipal tax revenue. The new rules say that both machinery and equipment associated with pipeline will not be included in the assessment of land or improvements.

Madam Minister, this should or will reduce the local government's tax revenue from the oil and gas pipeline industry. Has this been discussed with the urban municipalities that will be affected by the changes?

Hon. Mrs. Teichrob: — Mr. Chairman, the rules are not changing, or the regime is not changing for mines and pipelines. The changes come in the oil and gas industry in some different regime for taxing equipment.

And so I think that it will become clear as we go through it that there aren't necessarily, in this particular section, any implications for revenue because what we have yet to do is to define the classes. And then of course there will be various mill rate factors that will be able to apply to the classes.

So it's not possible at this moment, based on the information that any municipality or we would have, to quantify changes in the taxation. I mean there's . . . we can quantify the changes in the assessment but not in the tax policy as it may later be applied by the relevant local government.

Mr. Bjornerud: — Okay, thank you, Madam Minister. I understand that with a variable mill rate they will have the flexibility to adjust accordingly.

But some of the concerns have been brought to us and I wonder if you have not had the same concerns brought to you, Madam Minister, from mines and the oil and gas industry, of concerns in the case where possibly a council may be slanted to one way and want to pick up a lot of new revenue. And with the flexible mill rate, would this not be possible if you had a very biased council? You know, is that a concern that you have, Madam Minister?

Hon. Mrs. Teichrob: — Mr. Chairman, of course that is a concern. And that's why I guess it's well understood, in the consultations that we've had, that when the province through regulations sets the property classes and the . . . addresses the question of the variable mill rates, there will obviously have to be caps on the amount of shift that can occur for the very reason that you describe.

The Chair: — Why is the member on his feet?

Mr. Koenker: — With leave, Mr. Deputy Speaker, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Koenker: — Thank you, Mr. Deputy Speaker. We have in our gallery the . . . your Speaker's gallery this afternoon, a group of 39 young people from Father Robinson School in Saskatoon. With them are teachers Gary Olver, Jeanie Lysitza, and Blake Schneider. And I'd like all members to welcome them here to our House today.

Hon. Members: Hear, hear!

The Chair: — Why is the member on his feet?

Mr. McPherson: — With leave, to introduce guests.

Leave granted.

Mr. McPherson: — Thank you, Mr. Chair. I want to join with the member from Saskatoon in welcoming the kids here today. But I also see a special friend of mine. It looks like Jennifer Koskie up in that second row and I want to welcome Jennifer here today and ask all members to welcome her here. Hope you have a great time.

Hon. Members: Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 70 (continued)

Mr. Bjornerud: — Thank you, Mr. Chairman. Just on that same issue we were talking about, Madam Minister, and it possibly should be brought up when the next Bill's up, but I think it may affect this one a little bit.

But mines, and I've got some of the concern from especially the bigger mines. I think they do most of their dealing with you as government rather than with the local municipalities. And I think some of their concerns might be here that the new rules in these Bills, and possibly some in each, that they may have to do a lot more dealing now with the local governments out there. And I think this is a concern to them because I think they feel they're going to have kind of split between.

Is that the intent of this Bill? Or are they getting a misreading out of this, that that won't change at all?

Hon. Mrs. Teichrob: — Mr. Chairman, there isn't anything in this Bill that would change, or intend to change, the relationship of those industries with local governments. They do have . . . you referred specifically to potash, I believe. As you know, there is the potash sharing arrangement where the size of the pool that's available for distribution by the formula is obviously affected by the mill rates of various municipalities. So there is.

And having been the reeve of one of the municipalities that's in that situation, I know there to be a good relationship with the industry, and good lines of communication. So I think it's positive now and I see nothing in this legislation that would change that relationship, or certainly wouldn't intend to either, Mr. Chairman.

Mr. Bjornerud: — Thank you, Madam Minister. Clause 23, Madam Minister, the clause shifts the responsibility for designation of property classes and percentages from SAMA to the Lieutenant Governor in Council. Why does the government want the power to designate different classes of improvements and the percentage of assessed value and shift it away from SAMA? What was the purpose for that?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, if the member will reflect back on the tradition and history of this matter in the province, he will know that historically this has always been a provincial responsibility. And I can't speak for what happened within the previous administration, when the Saskatchewan Assessment Management Agency was established with the intention of transferring the whole responsibility for assessment procedure to that agency, but it seems as though the intent was to transfer all responsibility.

Then I think in practice, as the Assessment Management Agency looked at its work and tried to develop within the mandate that was given to it, they felt uncomfortable, feeling that assessment should be their responsibility but the tax policy should still be done by government because, as you know, assessment and taxes are two different things. Assessment provides the base, but the tax policy is really politically sensitive at the local level and at the provincial government level as to how that is used — how the assessment information is used and how the tax policy is developed.

So it's proposed that in this legislation that the government will take back that historic role that they've had from SAMA, because probably it wasn't appropriate to try to transfer it there in the first place. So this really doesn't change anything; it simply re-establishes the role that the province has always played, except for this brief interval between the establishment of SAMA and the full transfer of responsibilities, or sharing of responsibilities, between the government and that agency.

(1445)

Mr. Bjornerud: — Thank you, Madam Minister, but would you agree that SAMA has the expertise or the ability to do this? Would they not have also that ability?

Hon. Mrs. Teichrob: — Mr. Chairman, I certainly think that ... my assessment would be, for whatever that's worth, that they certainly have the ability.

But they are technicians. I mean these are the people that measure the property, that value the property. They're setting up the base upon which people at various political levels will use to raise revenue, whether it's the education system, the local government system. And they communicated, and I think rightfully so, that the tax policy that uses the assessment base is rightly political and not technical. And obviously we agree with them or we wouldn't be making these amendments to the legislation now.

Mr. Bjornerud: — Okay, thank you, Madam Minister. I think where my concern comes in here — and it might be your government. It might be the next government or go on, on the next one after that — but is there not a real danger that transferring this job from SAMA back to the executive arm of government, to the Premier's office or the minister's office, will result in political concerns becoming paramount down the road? I mean, could this not happen? I'm not saying it will happen with your government or the next one, but it seems to me that, by not letting SAMA do it as an independent body, that this could become a political tool.

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I think it's appropriate that it is political, and I'd just like to clarify that the responsibility is being transferred not to the executive arm of government but to the legislative arm of government which, in this House as demonstrated here today, is a transparent process.

And at the end of the day, having had the debate in public in this Chamber and having the press to have access to the arguments, then the resulting legislation is then used by local governments, again, and educational institutions, again by publicly elected democratic bodies in a transparent procedure. So I think that it is highly appropriate, Mr. Chairman, that this should be the procedure.

Mr. Bjornerud: — Thank you, Madam Minister. I'd like to go on to clause 24 now, Madam Minister. And the clause says that for the time being only the cost approach and the sales comparison approach, sometimes called market-value approach, will be used. But the presence of the new section 239.01 leads me to believe that you intend to rule out income- or benefit-based assessment. This approach is sometimes called benefit approach.

When income-based or benefits-based assessment was introduced in other provinces, the results was a massive increase in the number of appeals and the complexity of the appeals. I understand that in Alberta the number of appeals rose to somewhere between 8 and 10 per cent of the number of assessable properties.

In Saskatchewan, if income- or benefits-based assessment were brought in, it is quite possible that several thousand appeals would be brought in, in each major city, Madam Minister. For example in Regina, there are approximately 60,000 assessable properties. If 8 to 10 per cent of them became the subject of appeals based on income- or benefit-based assessment, we could see 5 to 6,000 appeals in the one city alone. Can you comment on that, Madam Minister?

Hon. Mrs. Teichrob: — Mr. Chairman, I'm happy to have the opportunity to comment on this issue. There are three pillars basically to the assessment system, the values that are used. One is the market value. One is the actual or depreciated value. The other one is the income approach for a commercial property or rental property.

This has never been used in Saskatchewan. As you mention, there is some experience in other jurisdictions with mixed results. This is why this legislation bars the use of the income approach for three years. We feel it's premature to try to jump into that, based upon reservations that we and other people that

we've consulted with have.

But unless we start to collect some information to make some assessments on how to use, or by assessment I ... some analysis on how this could be used in a proper way without the results that you describe, we would never get to that stage of doing the analysis unless we had the ability or SAMA had the ability to collect some information.

So what is seen to be happening in the future is that some information will start to be collected. Some analysis will be done. And at some future time, in full consultation with those who would be affected by this, a decision will be made whether and when to start actually applying the income approach to . . . basis for assessment.

Mr. Bjornerud: — Thank you, Madam Minister. Now I'd like to move on to clause 27, Madam Minister. It says that an urban council may pass a by-law providing that businesses are not to be assessed. What studies, if anything, has the department done to determine whether this would result in a bidding war between neighbouring urban municipalities to attract businessmen to their community?

Hon. Mrs. Teichrob: — Mr. Chairman, I guess these changes are occasioned by the reality that there is a very un-level playing-field out there right now in this area. So what this legislation does is repeals the section in the current regime which gives municipalities the option to use two different methods of calculating business assessment and prescribe only one way, being a percentage of the value, but then makes it optional as to whether a municipality applies that assessment or not. And we recognize that this may cause shifts between the sectors depending on what decision the municipalities take.

But as I said before, they are locally, democratically elected. They are charged with making those choices. And whether they make the right or wrong ones, they'll be accountable at the polls.

Mr. Bjornerud: — Thank you, Madam Minister. So I presume what you're saying is you believe that there's enough flexibility in the variable mill rates to let the urban municipalities adjust their taxes accordingly? Is that what you're saying? Like that is the feeling I'm gathering from this, that you feel there's enough flexibility there for them to make the adjustments that they have asked for.

Hon. Mrs. Teichrob: — Mr. Chairman, yes, that's true. And when the member referred before to competition or bidding wars for instance between municipalities, if one municipality opts to have the tax and the neighbour opts not to and it makes a difference in the business tax regime, then they can use the variable mill rates and the phasing and — in the case of larger urban centres — subclasses of property in order to overcome that and to adjust for it.

Mr. Bjornerud: — Thank you, Madam Minister. When you . . . in discussions with urban municipalities, have you got a feeling from them how many of them may drop the business tax and how many of them will hold on to it? Is there a feeling out there right now what the trend will be?

Hon. Mrs. Teichrob: — Mr. Chairman, I think it's still premature at this time. I think individual councils of municipalities are still studying the data that's coming in, and to my knowledge very, very few ... I'm only aware of one that has so far made a decision that's been expressed in a resolution. There may be more, but for the most part I think they're still studying the matter.

Mr. Bjornerud: — Thank you, Madam Minister. Do you think though . . . Before I leave this issue, I think a lot of the concerns that have been brought to us, and I'm sure you've heard the same, that the bidding war that we're talking about out there between cities and even towns within . . . say within our constituencies even. I can see in my constituency I have about three towns of comparable size out there.

Do you not think there may be a problem with, down the road here, between the communities themselves by one having it and one not having it? Do you not think this is going to create a bit of a problem out there by no consistency?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I guess this is always a perennial potential for competition and the kind of thing that the member refers to. Because I'm aware also of areas where there are several good-sized communities close together, all with good road access, all wishing to have some increase in their commercial activity or perhaps some light industrial development.

And they do now, even outside of the property tax regime, they do all kinds of things — like give land away, give tax holidays, enter into servicing agreements that are preferential — in order to attract industry. And I think that the development of the REDAs (regional economic development authority), in other words a regional approach to trying to develop industry and commerce rather than each municipality vying for, you know, a certain kind of development, is healthier.

But I can't conceive of any regime in the competitive arena when municipalities are all trying to grow and trying to have development, that there will ever be a level playing-field. And even if you could create some dream world where the property tax regime would be absolutely a level playing-field, then as I mentioned, no doubt people would be creative enough to find other ways to tip the balance in their favour.

Mr. Bjornerud: — Just one more question for a minute, Madam Minister, and I thank you for that answer from before.

Did you give consideration to making it one way or the other completely? Like I realize the way it was before there was communities that on their own dropped the business tax in half or whatever. Had you given consideration to make it one way or the other — they all had no business tax or they all had it compulsory possibly?

Well I guess what I'm asking is, they all didn't have it. It's probably the way they would have gone.

Hon. Mrs. Teichrob: — Mr. Chairman, there is \$55 million provincially raised through this tax. And there would be that

magnitude of a shift if it was made mandatory. It also has, as you know, implications for the education portion of business tax. So we felt it was . . . the analysis clearly showed actually that it was much preferable to provide the flexibility of the option.

Ms. Draude: — Thank you, Mr. Chairman. And welcome to your officials, Madam Minister. I have some questions on the business tax and I'm wondering — it talks about the business tax being optional — and I'm wondering if this option has brought a lot of difference of opinion to your office and what type of discussions have been carried on with various towns and organizations over this option.

Hon. Mrs. Teichrob: — Mr. Chairman, some very extensive consultations were carried out, not only with municipalities but with business organizations. And there is of course, as in anything, some divergence of opinion. But the majority view would have been in support of the route that is being taken via this legislation.

Ms. Draude: — In my talks with some of the various towns, they are concerned that having options of having various rates for business tax will end up making one town compete against another town for business. Can you give me your thoughts and comments on that.

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I think basically it's phrased a little bit different way, but it's almost the same question that was posed by your colleague a few minutes ago in terms of the level playing-field between municipalities and trying to attract or retain business activity and commercial activity and jobs and so on in their town.

The business tax is a very small factor. As you know, there are cases now where municipalities will abate certain business taxes or give certain advantages. So this is not a perfect world, but we and the community that this tax will serve and be used by have a general consensus that this is the right way to go.

Ms. Draude: — Madam Minister, can you explain why there really hasn't been any reassessment update done for so many years?

(1500)

Hon. Mrs. Teichrob: — Well, Mr. Chairman, there hasn't been an overhaul of the assessment system since 1965. And so when you're looking at values and all the different things that have happened in the economy, the relationship of values, it's really imperative that the system be brought up to date.

And I think that, when the goal of moving towards market value is achieved, that people will understand their assessment notices so much more readily because, as you know, when you get your property assessment notice now, the number that represents the base for your property tax to be applied to, people look at it and they can't relate it to the market value. They don't understand the derivation of the numbers. And we think, and SAMA obviously believes, that moving to market value will make the system much better understood. And the legislation provides that there will be a reassessment every three years from now on,

so we should never be in this situation again.

And the legislation also provides for the establishment of a base year. So when the reassessment is carried out in 1997, it will be using 1994 as the base year. I mean obviously, if you're trying to do it and establish it in the year that you're in, you're not picking up the current improvements, and you're kind of doing it, you know, by the seat of your pants. So if you use a three-year lag, that gives you time to have all the proper information in place.

So then in the year 2000, there'll be a reassessment done with 1997 as the base, so we'll always have a rolling value, and moving it ahead. And it wouldn't be as dramatic as this one because here we're playing 30 years, more than 30 years, catch-up. It would more or less approximate, I would think, the three-year reassessments, the way that pick-ups are done now on an annual basis. It would be just adjustments. But there would be a review of the whole system every three years from now on.

Ms. Draude: — Thank you again. The reason that the reassessment is done this year, I guess, starting in 1997, must be part of the government's overall vision for something. Is there some reason you've decided this is the year? After 30 years, we're going to start changing it, and I'm just wondering how this works into the government's plan for the future.

Hon. Mrs. Teichrob: — Mr. Chairman, SAMA has been struggling with this for some time, and as the member may know, there were some changes made in the way SAMA is governed. There were legislative amendments brought in to provide for representation from SUMA (Saskatchewan Urban Municipalities Association), SARM (Saskatchewan Association of Rural Municipalities), from the municipal sector.

And there were also a number of fairly high profile lawsuits challenging some major, major assessments. And those were put on hold with the promise, I guess, by SAMA that a reassessment would occur. And so the newly formed board of SAMA, with all this information in hand, decided that 1997 was the year that they wanted to go ahead. So it's not the government's decision. It was the decision of the people who own the new assessment system, the members of SAMA, who made that determination that 1997 was the year they wanted the new system to take effect.

Ms. Draude: — Thank you again. The government's main focus, I believe, up to the year 2000 is going to be to get Saskatchewan ready to go into the year 2000. And we're going to, through the *Partnership for Growth*, work towards creation of jobs. I'm having a little bit of difficulty seeing how this part of the government's focus is blended with the overall plan of job creation when it seems to be causing a little bit of controversy. Could you explain to me how this fits into the overall plan?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I think modernizing the reassessment system fits into the overall plan to take a stronger and more modern Saskatchewan into the 21st century. It fits very well. And there are benefits for the business sector. And doing the assessment in 1997, allowing for the

phasing-in of changes, will bring ... there's a three-year timetable for the phasing-in, to adapt to the system. And that will bring us squarely up to the new millennium with a fully modern taxation and assessment system that everyone is comfortable with and that has benefits for everyone and is seen to be more fair.

Ms. Draude: — Thank you, Madam Minister. Could you tell me what the make-up of the SAMA board is — who is actually sitting on it?

Hon. Mrs. Teichrob: — Mr. Chairman, there will be an opportunity to scrutinize the estimates for SAMA as an agency itself. But there are three provincial . . . there's a total of eight . . . nine, that didn't add up . . . we're missing one. There's three provincial; two urban; two rural; one from education, from the trustees; and one representative of the assessors . . . the appraisers, people who actually . . . the professional organization that actually does the work. That adds up to nine.

Ms. Draude: —When we talked about the assessment appeals amendments, I was wondering about the local board of revision. Who decides who's going to be sitting on that local board?

Hon. Mrs. Teichrob: — Mr. Chairman, the members of the local board of revision are chosen by the councils. And in rural municipalities certainly, in most cases the boards of revision are constituted by members of council.

Mr. Bjornerud: — Thank you, Mr. Chairman. Still a little more with clause 28, Madam Minister. As I understand the present rules, a business is classified according to which class of business is being carried on, and then the appropriate rate is multiplied by the number of square feet used by the business, and that's how business is assessed and ultimately taxed. From my reading of your Bill, Madam Minister, all that will

change and the urban municipalities will decide to keep their business . . . which decide to keep their business taxes will have to assess the business using a property tax assessment procedure.

Madam Minister, as you know, a great many businesses operate out of leased premises where many businesses rent or lease space in a single building from the same landlord. How will individual businesses be assessed in these circumstances?

Hon. Mrs. Teichrob: — Mr. Chairman, the business tax in those cases will be a percentage of the property value, and the business assessment will be a percentage of the property value. And there'll be a . . . you're speaking of a situation where there is, say a strip mall where there's multiple tenants. Yes. So that would apply to each section of the . . . however the division is made when there are multiple tenants. They'd assume their *pro rata* share of the percentage of the business assessment, property assessment.

Mr. Bjornerud: — Thank you, Madam Minister, and I realize these are very complex issues and I sympathize with you on them. But in this case, I still . . . I just can't quite follow what we're saying here. Are we going by . . . in this situation of a strip mall or even a larger mall for that matter where there are a number of businesses, big, little, and whatever, how do they

come up with what each person is paying then? By footage? Or, you know, are we getting into . . . three years down the road will we get into the income part of it then? Or how are we going to work this?

Hon. Mrs. Teichrob: — Mr. Chairman, I would refer the member to section 242(5) of the legislation, and it describes how the agency — being SAMA — would determine that allocation. Mr. Chairman, I could read section (5) for the benefit of the member. It says:

Subject to subsection (7), (which refers to land and improvements for business purposes) where more than one business is located within the same land and improvements, the proportion of the business assessment set pursuant to subsection (2) to be allocated to each of the businesses is to be determined according to a method set by the agency.

So SAMA has not yet come up with the formula as to how that sharing will be done when there are multiple tenants. But they're doing work on that.

Mr. Bjornerud: — Thank you, Madam Minister. Will this be one of the things that will come out in the regulations of the Bill then? Is this where we will get an understanding of that?

Hon. Mrs. Teichrob: — Mr. Chairman, no, that won't be part of the regulations. That will be set, determined, by a SAMA board order. I realize it is very complex and the division of responsibilities between the enabling framework that the government is trying to establish here, and then the responsibilities of SAMA is distinct from that. Of course there is a relationship, but it does make it difficult. But I'm told that the SAMA's board orders are gazetted, and that's how they become known. And pursuant to the conversations and proposed amendments we had yesterday, you would understand the implications of that.

Mr. Bjornerud: — Thank you, Madam Minister. Madam Minister, we talked a few minutes ago about the income-based assessment. Will this maybe be an easier way down the road for such things as these strip malls? Would this be an easier way of defining the assessment when they're looking at income as the criteria?

Hon. Mrs. Teichrob: — Mr. Chairman, SAMA has not as yet made that determination as to . . . it's really the only options they would have . . . would be to use a percentage of rental value or square footage, the two methods, the alternatives that are in the existing legislation. And they haven't as yet determined that, but work is going on, on a formula that will be fair

Ms. Draude: — Thank you, Mr. Chairman. Madam Minister, could you tell me how you expect or can see that home-based businesses will be assessed?

Hon. Mrs. Teichrob: — Mr. Chairman, this is a very good question that the member opposite raises, and it's really a tough one. There was some discussion about that issue at the last . . . well the extension of the SAMA meeting that occurred last

September, the end of September. And it is very difficult.

And they're looking at it now. They're consulting and trying to determine whether perhaps some sort of a licensing regime might be more fair, more enforceable, than a business tax, because as you know, there is such a huge variety of home-based businesses because Saskatchewan people are so ingenious that it is very difficult to address this issue.

But again it certainly needs to be dealt with because it needs to be a level playing-field for those people as well as, we discussed earlier, between other communities and other businesses. Practitioners that are working out of their home, doing whatever the activity is, should also be able to count on having a level playing-field so that they can work the same kind of costs into their products or services. So that would be the goal.

(1515)

Ms. Draude: — Minister, have you consulted with the home-based business association group to have their input?

Hon. Mrs. Teichrob: — Mr. Chairman, there were amendments made last year that permits licensing instead of assessment for home-based businesses. And there were extensive consultations with the . . . I just forget the exact name, but the provincial association that represents home-based businesses. And the amendments were approved, or they were very acceptable to that group.

Ms. Draude: — Then just to clarify this for me, you are looking at the option of licensing home-based businesses instead of assessing them on their property?

Hon. Mrs. Teichrob: — Mr. Chairman, the licensing regime wouldn't come in as part of the assessment system. That would be a municipal responsibility, as it is now.

Ms. Draude: — So then right now for home-based businesses, it's going to be decided later and left into the regulations?

Hon. Mrs. Teichrob: — Mr. Chairman, well actually, you know, the choice has already been made because . . . in the amendments that permitted licensing. And so there already is the ability there of municipalities to have a licensing regime for home-based businesses.

Ms. Draude: — Will they also be assessed then, a possibility they'd be assessed a business tax on top of this licence then?

Hon. Mrs. Teichrob: — Mr. Chairman, the answer to that question is no. There wouldn't be an assessment as well. There would be a licence rather than assessment.

But as you know, it is very complex. I mean, if you had an extension to your house or if you were using your garage or some other building on your property, farm, or acreage for some commercial purpose, then of course, I mean, that building is then assessed because it's not an accessory to a farm use or that sort of thing. But it's assessed on its own merit. And the licence is something different.

Mr. Bjornerud: — Thank you, Mr. Chairman. Madam Minister, we'd like to just touch on something kind of off the side of this, and I think the member from Kelvington had touched on a bit, was to do with regulations. What sort of things will be brought into this with the regulations at the time regulations are brought in?

Hon. Mrs. Teichrob: — Mr. Chairman, there are a number of important factors that are yet to be determined with consultation by those affected and interested. The most important ones being — that will be a subject of regulations — the most important ones being the property classes and the percentages of value which will be applied to those.

There needs to be established in regulation the formula for how the equivalent education tax revenue will be raised where business assessment is not used, and . . . oh yes, the percentage of property value that will apply on the business side. That percentage, if a municipality opts to have a business assessment, the percentage will be set in regulations. So there are a number of very critical issues still outstanding that need to be dealt with in regulations.

Mr. Bjornerud: — Thank you, Madam Minister. I think you've hit the nail right on the head and I think this is why we have concerns. And regulations scare us no matter or not just this Bill, every Bill that we've come across. And would it not be wiser to wait and bring the Bill in with the regulations so that we could look at, you know, the public, urban, rural, everybody could look at the Bill with the regulations in. Would that not be a fairer way of doing things?

It just seems to me that when we bring these Bills in, actually in some cases . . . and this Bill is fairly complex without the regulations. But in a lot of cases the Bill itself, there's nothing to it without the regulations. We're debating the Bill and we actually don't know what we're talking about until the regulations come in. So would that not be a fairer way of doing it, is waiting to that point when the regulations were all in place and then bring it in as one?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, there are several answers to that . . . parts of the answer to that question. One is that it couldn't be done because all the data wasn't available. In fact all the data is not yet available. SAMA is still working on this . So physically it wouldn't have been possible because we just didn't have . . . the information was not at hand.

Secondly, it's never ... it's just not possible with the system that we use, to develop the regulations in conjunction with the Bill because the regulations are pursuant to the legislation. So the legislation has to be in place first, and we never know that until the day we stand up and say, I move this Bill without amendment.

And then the regulations, I mean work can be being done on them, but they simply can't be put into place until the Bill has been passed, assented to, proclaimed. And then the regulations are developed and they are gazetted. And they will be developed, the regulations will certainly be developed, in consultation with those who are affected and those who will use the system.

But I guess, like, in addition to that, this is the reason why when you talk of fairness it is so critical that the property tax assessment and tax system be made ... brought into the 21st century and modernized. Because it is, as we all know, the least progressive tax there is.

I mean, it doesn't go away. Say your residential tax, it's an *ad valorem* tax. It's presumably based upon the value of what is there, and it doesn't go away if you get old or you get sick or you get unemployed or, in the commercial sense, if your business isn't doing well or being profitable, doesn't affect the property tax and is not a basis for appeal.

So that's why I say that, because it is not a progressive tax, it is so critical that it be as fair as possible. That's why it's urgent that we need to make these changes to help the Assessment Management Agency and the local governments bring their systems up to date.

Mr. Bjornerud: — Thank you, Madam Minister. But I think our concerns still are there that, unless you can point me in a different direction, when regulations are brought into this Bill — and I agree with you that the parties involved will be consulted in that — but as far as the legislature itself here, the whole intent of a Bill could really be changed by the regulations. You know, the base could be there.

Am I missing something here? Do we have any input into when the regulations come in, how we could at least have a chance to discuss them at that point?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, it just isn't possible to do it that way because the . . . just the same as in the normal rules of order, an amendment cannot change . . . an amendment is out of order if it changes the intent of the original motion. And the relationship between the legislation and the regulations is exactly the same. The regulations have to be designed to be pursuant to the intent spelled out in the legislation. And the regulations can in no way be contrary or change the intent of what is contained in the Bill. They must be pursuant to.

So I guess that's the only insurance I can give, is that that's the way it has to work, that nothing, no regulation can change the intent so that you're not getting a pig in a poke. When this is passed, this is what you get. And the regulations have to be pursuant to that. And they will be done in consultation. They will be gazetted.

And it's very normal to leave things like percentages of value, issues where there might need to be some changes in practice, in the regulations rather than the legislation. Because if we need to make a change — say if municipalities came forward and said, oh, we think you got this wrong; it's having this unintended effect — we would have to, if it was in legislation, we'd have to say, well you'll have to wait until the next legislative session for us to make those changes. Regulations are more flexible, and that is the reason why, in almost every piece of legislation, those features where there needs to be flexibility are placed in the regulations rather than in the legislation. And there's nothing sinister about that. It's meant to be practical.

Mr. Bjornerud: — Thank you, Madam Minister. You may have answered this already, and I maybe just missed it. But when you said the regulations themselves cannot change the intent of the Bill, who decides that? And you maybe told me, and I just didn't get that but . . . I'm sorry. Maybe I didn't explain, but who, you know, when a new regulation is brought in by your staff or whoever, who is the overseer that says the intent of the Bill was changed; this isn't allowed? That's where I'm coming from. That's where I feel we should come in as opposition and critics of the government.

Hon. Mrs. Teichrob: — Well it's just, Mr. Chairman, it's a matter of law. And if ... the very same as ... I guess the analogy I use, because it's one that you would be familiar with, is that an amendment is out of order if it changes, if it has the effect of changing, the intent of the original motion. And the relationship between regulations and the legislation is the same. And so if, by accident or design, someone were to approve a regulation that is not in keeping with the intent of the Bill, a legal challenge to that would most certainly be successful.

Mr. Bjornerud: — So really what you're saying, it would have to go to the courts, would be the only way it would really be brought to . . . If some municipality out there said, this has changed the whole intent of this, the only alternative they would have is go through the court system, I presume.

Hon. Mrs. Teichrob: — Well if there were something that glaring, Mr. Chairman . . . Well any individual municipality wouldn't be at risk. If there truly was an issue, then the municipal organizations would no doubt take up the cause.

But that's why we have the procedure where the department . . . Well first of all, the need for an amendment is recognized by someone. Perhaps a municipality will come to the government and say, you've got this wrong and we need to have this fixed. We have the wrong percentage or whatever the part of the regulation is. Then the procedure is that the situation is analysed. And if the petitioner, if you like, or the person or body who has brought it to our attention is correct, then drafting instructions are issued.

The Department of Justice does the drafting. The draft regulations come to the Regulations Review Committee, which is a committee of cabinet. The recommendation is then made to cabinet. If it's approved, then it's gazetted for all the world to know. So there's quite an extensive process in changing a regulation.

Mr. Bjornerud: — Thank you, Madam Minister. I'd like to explain to you that we're not specifically picking on the SAMA Bills with regulations because, as an official opposition, we have a problem with every Bill that's coming up with regulations.

I realize you're saying that it cannot change the intent of the Bill, but I'm sure you must realize, Madam Minister, that these regulations have a big input into what the make-up of the Bill is. So it's strictly not just the SAMA Bills; it's every Bill that comes up here. Some of them are very minor, so the regulations don't affect it. But in this case, the regulations really do, and I

believe the health Bills and education and a number of other ones, regulations can really come into effect.

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I just want to comment on the . . . I think we've had this debate before about legislation and regulations. But it's the very same as . . . I would describe it this way: that the Act, the Bill, is the policy and the regulations are the administration. This is the intent, and the regulations are how the intent is carried out, which is the reason why the regulations and the legislation absolutely cannot be at odds with each other. The world just wouldn't work that way.

(1530)

Ms. Draude: — Thank you, Mr. Deputy Chairman. Madam Minister, thank you. You identified six or seven major areas where regulations would be an integral part of this Bill. I'm wondering if you can tell me who is going to have input into the regulations for each one of these different major areas.

Hon. Mrs. Teichrob: — Mr. Chairman, I don't know if I have a list at hand of who all has been consulted so far, but roughly, for starters . . . oh, it's quite an extensive list. Yes, I won't read it all.

But it's the urban municipalities association, SUMA; and SARM, the rural association; the SSTA (Saskatchewan School Trustees Association), the SAMA agency of course, and the chambers of commerce, the CFIB (Canadian Federation of Independent Business), the chambers of commerce from all the cities in Saskatchewan or all the communities who have a chamber, the urban municipal administrators' association, the Saskatchewan Association of School Business Officials, the home builders' association, the real estate association, the architectural heritage society, the Regina Home Builders' Association. Some of the business associations, like the Partnership, and on, and on it goes for several pages.

So there have been really extensive consultations. And then of course we receive letters and requests from individuals as well. But I would say that we have really consulted widely and will continue to do so on the development of these very important regulations.

Ms. Draude: — Thank you, Madam Minister. Because I think that the regulations that you've identified, the five or six different, very important category, probably affects a number of different groups differently. I'm wondering, you had indicated that there was . . . the regulations haven't been all finalized, so I take that to mean that you're still meeting with these different groups. I'm wondering if there is different groups that are sort of assigned to or taking responsibility for various sets of regulations.

Hon. Mrs. Teichrob: — Well, Mr. Chairman, yes, the answer is, these consultations are still ongoing, and there have been a number of larger meetings, sort of seminars called consensus-building sessions where really all of these parties would come together.

Then on specific issues of course, there are specific organizations that take more of an interest in that issue; then

there would be smaller meetings and potential drafts and intents would be known and it's a two-way communication.

Ms. Draude: — Could you give me an idea of when the standing Committee on Regulations that's actually formed here in the House, deals with the regulations? Is it after all of your groups have met and compiled regulations, then they come to the Regulations Committee in this House?

Hon. Mrs. Teichrob: — Mr. Chairman, the Regulations Committee is not part of the House and that's what provides the flexibility actually. What happened — and it's been brought to my attention; I knew this too — that there were meetings with the SARM board this week on May 6 and meetings with SUMA board on May 7 and there are other meetings planned with other major stakeholders for the balance of this month.

What the procedure is, that when a decision has been made based upon the advice of all the members of these various groups — and of course sometimes you know you have to exercise some discretion when everybody doesn't agree; but you listen to all the positions — then a recommendation is made for the drafting of the intent . . . is formed. And then that would be done by people in this case in the Department of Municipal Government who would then relay this intent of what it was they wished to accomplish in the regulation to the Department of Justice who would draft the regulation.

Then it would come to the Regulations Review Committee, which is a committee of cabinet with a secretariat that includes people from the Department of Justice, and in this case, there would be people there from the Department of Municipal Government to make sure that everybody . . . all the members of the Regulations Review Committee understood the intent and had the legalities explained to them by the Justice officials and so forth. When that's all done, if the Regulations Committee agrees, then it goes to cabinet for approval, upon which it is gazetted and the time of coming into force is set.

In summary, to say is, that all takes place outside of the legislative session and they're not . . . the regulations are not brought back to the House. But that's what provides the flexibility, in that if you need to change something in between sessions, you can use that process, where otherwise there could be a year's delay. Like if there's something we find out that we want to change in July, say if the session's over by July . . . at this rate, it may never happen. But just say that we notice in July that somehow we've slipped up on something, we have no opportunity to fix it for a whole year, and the regulations procedure provides that flexibility.

Ms. Draude: — Thank you, Madam Minister, for your explanation to us novices here. I appreciate it.

I have one specific question. I have a concern and a deep interest in heritage properties and buildings. I'm just wondering if they had special input and if there was some . . . if you're looking at their needs in a different way than some of the other buildings and property in the province.

Hon. Mrs. Teichrob: — Mr. Chairman, I think that the architectural heritage society is one of the organizations that I did read out when I was reading off that list, and they were

involved in the consensus-building sessions. And of course people with an interest in heritage are very concerned about provisions in the property assessment and tax regime that would encourage, for example, demolition of buildings. And that would run contrary to the intent of those who are interested in heritage, to preserve valued sites. And I certainly agree with you on that.

Ms. Draude: — I guess I'm rather unclear on what you would mean by some of the input they might have had, I guess. Can I be specific and ask you what they're actually saying about it? Are they going to be assessed on market value or some replacement value, or has there been a decision made on that type of thing?

Hon. Mrs. Teichrob: — Mr. Chairman, this is a summary that I am quoting from, of local government tax policy review, consensus-building sessions that were held in August in Regina, August of 1995. And it's very brief so I'll just read for you, because I don't have copies of it, the comments that the architectural heritage society had to make on these issues. They said . . . these are the concerns they have:

Reassessment will lighten the tax burden on older properties and will contribute to the retention and renovation of older properties, particularly in the downtown core.

Obviously that wouldn't be a concern; that would be something that they would welcome.

However, the change to market value may also penalize under-utilized buildings and lead to their demolition.

And then on the business tax, they're concerned that:

Elimination of business tax will shift the burden to older heritage structures.

And they're also concerned that there's a delay in establishing an income approach until the year 2000.

So I think those are the concerns that were raised by the society as advocates for the retention of heritage property. They're valid concerns and I hope that they will be able to be addressed in such a way that we don't lose any valuable sites.

There is a feature here that should be helpful in the vacancy adjustment for the business tax. So if there is a building that's not being used, or at least not being used for business even though it's in a business district, which might apply to the urban sort of near-downtown in urban centres, that there would be relief for that property — tax relief — in that feature.

Ms. Draude: — Thank you, Madam Minister. I don't want to put you on the spot, because I know what I'm trying to do, but I'm very concerned that there actually would result in a demolition of heritage buildings, sites, or ... It would be difficult to actually demolish a site, but the buildings that would have possible impact for keeping heritage in our province and encouraging tourism, I think is something that we're sort of overlooking here.

Could you give me any specific details on how you're dealing with perhaps the Saskatchewan Heritage Foundation and some of the buildings and sites that they're looking at right now that they don't have monies to actually restore or use as tourism sites?

Hon. Mrs. Teichrob: — Mr. Chairman, this is probably a question that is more appropriately put in the context of estimates for the heritage, culture and recreation branch of the Department of Municipal Government. And members will have the opportunity at that time.

So for our purposes here, let me just say, if it's any comfort to you, I'm also the minister responsible for heritage.

Mr. Bjornerud: — Thank you, Mr. Deputy Chair. I may get the same answer here, Madam Minister, but it just came to mind when the member from Kelvington-Wadena was asking the last question.

What buildings are actually ... or organization-owned buildings and land are exempt from taxes in urban centres? I am familiar with rural, but in the city, like say Regina, can you tell me what all buildings would be exempt?

Hon. Mrs. Teichrob: — Mr. Chairman, there are two types of exemption, if you like. First of all there are the statutory exemptions that are contained in legislation, in the Act respecting urban municipalities in this case. And the exemptions are many, many, but we start with the ones that you would be familiar with — the Crown land, any land and improvements held by the Crown or by any person in trust for the Crown. And then land and improvements especially exempted by law. And then it goes on to talk about places of public worship and schools and educational institutions and on and on and on.

So there is a very extensive list of statutory exemptions. Then urban municipalities — that was your question — can prescribe exemptions that they wish to add to that list.

Mr. Bjornerud: — Thank you, Madam Minister. Then what you're saying — and I think this is right — that none of the government buildings in the city of Regina, taxes are paid on. They're all exempted?

Hon. Mrs. Teichrob: — Mr. Chairman, I guess based on the principle that one level of government doesn't tax another, that the member would be familiar with, owned Crown land and buildings are exempt. But leased space occupied by a Crown is taxed, or assessed and taxed.

Mr. Bjornerud: — Thank you, Madam Minister. Madam Minister, I'd like to get back now to the clauses again. We kind of got sidetracked there for a few minutes, but I'd like to go to clause 36.

And in this Bill you have set out complicated new rules for the conduct of assessment appeals. There are new rules for filing a written material, examination of discovery, or disclosure of information. The explanatory notes which have been distributed by your department make a point of saying that these

procedures will probably be used only for large commercial appeals. But there is nothing in the legislation to prevent the municipality from insisting on the use of these procedures simply in order to delay the progress of appeals, or worse still, in order to make it economically unfeasible for the other party to proceed.

Madam Minister, does the department realize that making home-owners and small-business owners use the examination of discovery process and the other accompanying measures that I have talked about, will make it next to impossible, from a cost perspective, for such people to bring perfectly reasonable appeals before the board of revision of a great many urban municipalities?

(1545)

Hon. Mrs. Teichrob: — Mr. Chairman, in general the changes are meant to streamline the assessment process. And they allow more time, for instance, for an appellant. Specifically on the examination for discovery, that is at the option of the appellant. So there wouldn't be any undue costs imposed on an appellant. Because if he doesn't want . . . this is at his option, or his or her option. So it would likely be used more by large commercial-type appeals. And that's one of the reasons why more time is allowed.

But in summary, I think the intent is to streamline the process, along with some provisions in the municipal Act, the SMB, the Saskatchewan Municipal Board Act, which will be, you know, complementary to these.

But the essence of it is to try and put the onus on the board of revision at the local level. Because you would be very familiar . . . the member from Saltcoats would know, that in the event of a major appeal or a precedent-setting appeal, sometimes the appellant wants to short-circuit the process at the local level and get straight to his stated case or straight to the municipal board. And that's really not the proper way.

So this legislation provides that the board of revision process at the local level will be thorough and have integrity. And that if there's going to be an appeal . . . and the decisions of the board of revision will be in writing. And so that if the appeal process is to proceed then to a higher level, that the stage has been set. And similar to . . . not to make it difficult. Maybe I shouldn't draw this parallel because we're trying to make it easier not tougher. But the same principles would apply then that apply in the legal system where you can't introduce evidence in the trial that hasn't been brought up at the preliminary hearing for example, if that information was known at the time.

And the same principle will apply here, that the base will be established for any further possible appeal by having a process at the local level that has full disclosure and full integrity.

Mr. Bjornerud: — Thank you, Madam Minister. Still with clause 36 and still on assessment appeals. In many tax appeal procedures, there is a fast-track procedure available which applies to appeals where the amount in dispute is below some fixed level. The fast-track procedure could also be available for those appeals where the issue is quite simple.

Since many property tax assessment appeals are brought by ordinary home-owners, I think there should be a fast-track procedure available for them. That could be accomplished in several ways, and one way would be to limit the right to use examination of discovery process, the mechanical recording process, and the extensive filing of written material in the complicated, regimented disclosure process to appeals where the monetary amount in dispute is over some predetermined amount.

Madam Minister, is there no way that a fast-track procedure could be set up for home-owners with much simpler cases?

Hon. Mrs. Teichrob: — Mr. Chairman, I'm not sure what the member is reading from, but some of the things that he has just read, from whatever document he's using, are not accurate. And I think we're making it . . . I wouldn't use the word fast track, but we're trying to make the system as accessible as possible by . . . for example, there's provisions that allow boards of revision to have fewer people. And for boards of revision to sit concurrently, like a . . . probably wouldn't be the case in a rural municipality where there aren't that many appeals, but in a city, for example, where there may be a large number of appeals and maybe some are complex appeals, the board of revisions could be made up of fewer people and could sit concurrently, so it wouldn't be one board that would have to sit for weeks and weeks and weeks.

And I don't really see anything here that makes it more difficult for the kind of appellant that you speak of. I mean really there is a fast track. We're lengthening the time a little bit. We used to have . . . I think we're going from 20 days to 30, to appeal the assessment when your assessment roll is opened. You used to have 20 days; you will now have 30, so you'll have a little bit more time to prepare. It does provide that the grounds for the appeal should be stated in writing, but then the appellant goes . . . is heard by the board of revision.

As I say, the time for that hearing might even be shortened now if there's more access to the boards of revision and a decision could be made that very day, rendered in writing. And that's the way the practice has been with simple appeals in rural municipalities. The appellant pretty well knows when he walks out what the answer is. So that doesn't make . . . nothing in this makes it more difficult.

Ms. Draude: — Mr. Chairman. Madam Minister, my question is regarding the fees for appeal. I'm wondering what the current fee schedule is for appeals; is there a fee?

Hon. Mrs. Teichrob: — Mr. Chairman, at the local level, access to the local board of revision, there is at this time no fee. And I'm told that if the case is appealed to . . . if the decision of the local board is appealed to the municipal board at the provincial level that there is a fee of \$50.

Ms. Draude: — Madam Minister, some of the information we received said the new fees may be introduced for appeals at the local level. Are you allowing different localities or municipalities to decide if they want to set up a fee? Will it be an option?

Hon. Mrs. Teichrob: — Mr. Chairman, again we come to the provisions that will be in the regulations. And the legislation allows for a fee to be set, but the amount of fee or the capping of the fee will be in as part of the regulations.

And I think that for anyone who has had experience in this area, personally I think it's fair. Certainly I'm not sure about the member for Kelvington, but the member for Saltcoats will certainly know that boards of revision often sit and as a courtesy, I guess, hear appeals that are truly frivolous.

For instance, I mean there is an onus on ratepayers to be aware and to educate themselves on what the grounds for appeal are. And I mean I know I have sat as a member of a board of revision where somebody comes in, will not tell the administrator as the secretariat to the board of revision ahead of time what the grounds for appeal are, and hasn't had to pay a fee, comes in and spends an hour maybe complaining about how the snowplough only went past his house once in the last six years, and he really doesn't think he should have to pay any taxes. I mean let's face it, this is not a ground for appeal.

And it's very expensive for the ratepayers because they're having maybe six or eight councillors or members of the board

And it's very expensive for the ratepayers because they're having maybe six or eight councillors or members of the board of revision sitting there, being paid a per diem. You have staff time; the secretariat to the board of revision is sitting there. And I think a small fee, a modest fee, would be a deterrent to frivolous appeals and shouldn't really be a burden on an appellant who has a valid case even though the adjustment that he or she may be asking for may be rather small.

Ms. Draude: — I just have one last question, Madam Minister. Could you tell me if the regulations are going to at least spell out a maximum?

Hon. Mrs. Teichrob: — Mr. Chairman, in the absence of having copies, I'll just read this relevant section of the municipal Act. It is section 251(1), (7) and (8):

- (7) A council may, by bylaw, establish fees for the purposes of subsection (6) (which is the appeals) that do not exceed any prescribed maximum fee or the appropriate amount set out in a prescribed schedule of maximum fees.
- (8) Where an appellant is successful in whole or in part on an assessment or classification appeal at either the board of revision or the appeal board, the council shall refund any fee that was submitted by the appellant to the urban municipality.

And so there you can see that if the appeal is not frivolous and if the appellant is successful, that the fee will be refunded. So that seems to be fair.

I'd like to correct something, Mr. Chairman, that I said earlier where the question was asked about the amount of the fee to the Municipal Board — access to the Municipal Board. And there is a table actually that says . . . it sets out different ways of prescribing the fee, but then says the minimum fee payable is \$50 and the maximum fee is 600 — like notwithstanding this other schedule. So some very complex appeals might get into the higher limits, but that's the range.

Hon. Mr. Shillington: — Thank you very much for that special recognition. I move that we report progress.

Bill No. 71 — An Act to amend The Rural Municipality Act, 1989 and to make a consequential amendment to The Municipal Board Act

The Chair: — This is the same minister and the same officials.

Clause 1

Mr. Bjornerud: — Thank you, Mr. Chairman. Madam Minister, I'd like to start with clause 3, the changes to the definition section of the Act.

What sort of equipment would be included in your definition of resource production equipment. Could you give us some examples?

(1600)

Hon. Mrs. Teichrob: — Mr. Chairman, there is on section 3 (f) where it refers to machinery ... this could be, when it's resource production equipment, it could be pumps, jacks, flow lines, anything to do with the production of the resource — that would be in the definition of machinery. Then there's other, you know, there's batteries, tanks, everything, you know, that's not machinery. But the machinery could be jacks, compressors, you know, the like.

Mr. Bjornerud: — Thank you, Madam Minister. Madam Minister, what was the reason for the changes with this part of the Bill? Like, why were these changes made? It seems to me to be more than housekeeping, so what was the purpose of this?

Hon. Mrs. Teichrob: — Mr. Chairman, in response to the question, for mines and pipelines these definitions or these provisions are simply there as clarification. For oil and gas well machinery and equipment, there are changes, so the definitions need to be clarified, so that it will be clear what will be taxed and what will not. So oil and gas well machinery and equipment at the well sites will continue to be assessed and taxed.

But machinery and equipment at oil, battery, and gas handling sites, to separate, treat, process, dehydrate, store, or transport oil and gas, and to dispose of waste products is no longer to be assessed and taxed. Those will be off.

Mr. Bjornerud: — Thank you, Madam Minister. I'd like to go to clause 5, and this is actually not a great, important one, but I was just wondering — we're changing the rules here and getting the administrator to make sure that a member of council signs the minutes — was there a problem that came out of this? This is why this was changed like this? Like, I was trying to understand why this was being done. What prompted this?

Hon. Mrs. Teichrob: — Mr. Chairman, essentially there's not really a change. It's simply intended to be clearer what the role and duty of the administrator is with respect to attending at and maintaining records of council meetings. I'm told it's simply to clarify the wording and to parallel the wording in the urban Act

to bring the two closer together.

Mr. Bjornerud: — Thank you, Madam Minister. I believe we always have had to — have we not? — sign the minutes as a member of council.

Hon. Mrs. Teichrob: — Yes, Mr. Chairman, that's true, and this change does not affect that requirement.

Mr. Bjornerud: — All right, thank you, Madam Minister. Clause 6, I believe we're changing the powers to have re-counts for rural elections. Why would we not allow for a re-count even where there's a difference between the winner and the second place finisher . . . is greater than the number of ballots where there was an objection plus the number of spoiled ballots? Can you give me an explanation of why this one is being done?

Hon. Mrs. Teichrob: — No. Mr. Chairman, I believe that the additional subsection would limit re-counts to only those situations where the re-count could change the outcome of the election. And this wording is taken, with appropriate adjustments, from a section of The Local Government Election Act. Just an attempt to clarify and to bring the wordings of the parallel Acts or the different Acts which had provisions bearing on the same situation more consistent with each other.

Mr. Bjornerud: — Thank you, Madam Minister. Clause 7 where were talking about by-laws, what sort of by-laws do you have in mind when you talk about by-laws for health, safety, morality, and welfare of the inhabitants of the municipality? Could you elaborate a bit on that, Madam Minister?

Hon. Mrs. Teichrob: — Mr. Chairman, that wording is consistent with the general responsibilities of a local government, sort of, for the good and welfare of the citizens they're elected to serve. And the change in wording is simply again to be more consistent with the wording in section 83 of The Urban Municipality Act.

Mr. Bjornerud: — Thank you, Madam Minister. Clause 9, if I understand this right, we're reducing the duties and the powers of rural municipalities within regional parks. What kind of agreement does the minister have in mind when you say that RMs (rural municipality) no longer have any jurisdiction in the regional parks unless they have entered into an agreement with the park authority? Could you elaborate on that?

Hon. Mrs. Teichrob: — Mr. Chairman, that's not ... That interpretation is not quite accurate.

What this does . . . This is an equity issue relating to buildings located on regional park property, where we now have a certain regime for rural residences, resort villages, fully taxed, fully assessed, fully taxed. Provincial parks and regional had their fees raised. They're not taxed but they had their fees raised a couple of years ago. So there's a little anomaly now in that regional parks dwellings, some of them permanent residences in regional parks, are not assessed and taxed.

So this is an equity issue. This legislation is intended to make them subject to the rural municipality for purposes of taxation. It's not changing the boundaries but it's for purposes of taxation. The rural municipality that the regional park is located in would have jurisdiction for the . . . for tax purposes. This would be municipal tax, education tax.

The park authority would actually set the mill rate and the park authority, I'm given to understand, would keep 80 per cent of the municipal levy raised for purposes within the park, and the other 20 per cent would go to the municipality. But it certainly isn't designed . . . it's not designed to weaken the relationship. In fact it's designed to strengthen it, and it's an equity issue.

Mr. Bjornerud: — Thank you, Madam Minister. Is this something new? I know in our area, we're not familiar with this because we've never had any regional parks where there's been people living in them. Is this a new part or has this always been there, just . . . or this amendment is just changing it a bit?

Hon. Mrs. Teichrob: — Yes, Mr. Chairman, this is new. It was considered about two years ago when some extensive consultations were undertaken, and at that time there was an effort to sort of create a level playing-field with all . . . for all resort residences.

And it is a difficult issue because there are so many different ways they're organized. There are resort villages, as I've said. There's provincial parks, the regional parks, national parks, and they're all treated somewhat differently.

So the association representing these regional park property owners is — I will concede — not thrilled about this. But on the other hand, the municipalities — SUMA, SARM, and SSTA, the local government federation, as you know — is certainly united in wanting this change because the other resort areas or park areas that are organized in different ways are certainly paying their freight in one way or another. And the owners of property in regional parks are an exception to that. So as I say, they're not thrilled, but it's an equity situation.

And a lot of them are ... these are not, in general, very elaborate residences. A great many of them are seasonal. So how ... if they become part of the municipality for assessment purposes and the park authority sets the mill rate, it's hard to determine right now whether there'll be really a dramatic financial effect or not. But those organizations see that at least there will be some contribution, and that's seen by them to be fair.

Mr. Bjornerud: — Thank you, Madam Minister. Does this affect all parks then? We're talking provincial, regional, everything, or just strictly regional parks?

Hon. Mrs. Teichrob: — Mr. Chairman, this is just regional parks, because in resort villages which are not in parks, they are now fully assessed and taxed as if they were rural residents. And in provincial parks, two years ago they had their lease fees raised to approximate a level of tax contribution. And at that time, the dwellings in regional parks weren't given the same treatment, and now they're being brought in.

Ms. Draude: — Thank you, Mr. Chairman. Madam Minister, I appreciate what you're saying when you said that the regional parks weren't thrilled about it because we've had a number of

calls from people in regional parks and on the boards who are quite upset about it.

I'm wondering if you could tell me if they were involved in the consultation process when it was determined that they should be assessed?

Hon. Mrs. Teichrob: — Mr. Chairman, the provincial organization which represents these owners of property in regional parks was consulted when a full review of the situation was carried out about two years ago. And they of course did not want to be included in the legislation. And at that time, they weren't.

But since that time there's been, I guess, constant requests from local governments and school trustees to include regional parks in the property tax regime, or their residences. And we have responded to that. And knowing that, the owners of those residences will not be happy, but they are on a level playing-field. Right now, they have a huge advantage over cottage owners in resort villages or provincial parks. And while it's a nice advantage for them to have, there isn't anyone else in the world that sees that to be fair.

Ms. Draude: — Thank you, Madam Minister. I think that there is deep concern with them and the reason I asked you the question is that, with the calls that I'd received after the Bill was presented, from regional park boards, I had the idea that they were rather flabbergasted that they were included. So were they actually given information lately, before the Bill was introduced, that they were going to be assessed?

Hon. Mrs. Teichrob: — Mr. Chairman, I have met with representatives of the group, but it was, I believe, after the legislation was tabled. And I knew that there was a consultation process at one time, and so I think they wouldn't be surprised so much, as they didn't like the idea two years ago when they were involved in the consultations, and they don't like it any better now. And I have met with them, or representatives of their group, and we've spoken about the equity issue. And they've asked me some questions about how it will evolve. And I guess one comfort is that the regional . . . the park board will set the mill rate for the park.

(1615)

Ms. Draude: — Thank you, Madam Minister. I hope I understood you correctly when you said that the regional park board would be able to keep up to 80 per cent of the funding that they collected. Is that correct?

Hon. Mrs. Teichrob: — Mr. Chairman, yes the regional park would - or the authority, the board, would retain 80 per cent of the municipal levy that's raised. They wouldn't keep the school levy but the municipal levy. Because obviously, if they're responsible for providing - or if they had an agreement with the rural municipality, for instance, obviously somebody has to provide some services to those residents that are in the park, you know, whether it's waste management, or whatever, and they provide access to a beach which maybe they clean and so on, so they could retain that 80 per cent.

And then either the authority would use that money to provide those services, or they might want to enter into an agreement with the municipality, with the rural municipality that they're in, to provide those services on their behalf and maybe pay them a fee.

So there's quite a bit of flexibility in how this could be handled. And it would be - usually the relationships between the regional park authority and the municipality are good and positive, because obviously it's members of the municipalities that formed the regional park board. So I think they'll be able to work it through in a positive way.

Ms. Draude: — Thank you, Madam Minister. The figure of 80 per cent, was that something that was agreed to with the regional park? Was it a number that was decided upon with the board?

Hon. Mrs. Teichrob: — Mr. Chairman, I would refer the hon. member to section 339.1, if she has a copy of the Bill. It sets out in six different sections exactly how the tax issue will be handled and how the percentages will be allocated.

And I guess some research determined that only 20 per cent of the money collected would be required for the overhead, if you like, of the participating municipality, and so the rest of it should obviously go to the park authority.

Hon. Mr. Shillington: — I move we rise, report progress and ask for leave to sit again.

The committee reported progress on Bill No. 70 and Bill No. 71.

COMMITTEE OF FINANCE

General Revenue Fund Agriculture and Food Vote 1

The Chair: — I'll ask the minister to introduce his officials first.

Hon. Mr. Upshall: — Thank you, Mr. Chairman. Mr. Chairperson, to my left is Terry Scott, assistant deputy minister; to his left is Doug Matthies, general manager of Crop Insurance; to my right, Dale Sigurdson, assistant deputy minister of Agriculture and Food; behind me, Jack Zepp, director of administration services; and Ross Johnson, to my rear right, budget officer, administration services.

Item 1

Mr. Aldridge: — Thank you, Mr. Chairman, and I would welcome the minister's officials here this afternoon. My first questions surround the minister's trip recently to the Far East and initiatives undertaken there, we are told, to establish new markets for Saskatchewan grown and Saskatchewan processed goods. If the minister would just provide us this afternoon with an overview with respect to the trip. Perhaps you could include in there when this trip that has just recently been undertaken, when was it initially planned?

And then if you could go on from there as to what were the

specific objectives of the trip. And then how many of these objectives do you feel were achieved? And also could you provide to us how many officials from your department may have accompanied you on the trip, and also as far as what specific destinations you went to and what were the purposes, as I say, in these destinations, of promoting trade.

Hon. Mr. Upshall: — Yes, well I'll give you an overview of the trip to start with.

We spent five days, approximately five days in Tokyo, meeting with different agricultural groups, discussing trade in many areas.

One of the highlights - I'll give you some of the highlights. Meeting with a company called Zen-Noh. Zen-Noh is the largest agricultural cooperative in Asia. They're a similar set-up to Federated Co-op as we know it over here. They have 2,300 member co-ops.

One of the important reasons of meeting with Zen-Noh is that they trade \$100 billion Canadian a year, which is fairly significant in terms of trade around the world. And so when we met with them, they were interested in a number of things including canola.

One of the things about a company like Zen-Noh is that they're interested in almost anything that you can supply them. They're a trading company, and things like feed grains, pork, beef - you know, there's a variety of things.

One of the other things that we did that was quite important — and I mentioned it the other day — in Japan was that we met with the Department of Agriculture, the Minister of Agriculture and talked about transgenic canola. We have three licensed varieties of transgenic canola in Saskatchewan right now. Of those three varieties, the problem is that Japan does not accept transgenic products yet.

Now for the farmers here, it means getting the fields inspected, registering them. It means when they harvest them, they have to confetti the grain to make sure it doesn't get mixed in because any transgenic varieties that are mixed in with regular varieties found in Japan, of course that would cut off our current trade.

What the Japanese government told us — the officials and the minister told us — not directly, but they insinuated that by the fall of this year they'd hoped to have legislation passed to allow transgenic canola in Japan.

We were very tactful in our approach because you can't push these people, push the consumer very hard, the trader or the government very hard. But we made it very, very plain to them the advantages it would give them if they allowed transgenic.

First of all, it would allow the advantage of the producer over here to work on a - the product to be less dollars when they came to buy it. Simply because with transgenic canola, for example, you can use one herbicide, one trip over. You can use Roundup, for example. Roundup-tolerant canola is transgenically produced, instead of spraying two or maybe three times for different kinds of weeds in your fields.

So the cost of production is reduced. When the cost of production is reduced, of course, then if the price stays fairly constant, then you can get a better margin. And what we basically said is that, don't be too concerned about the price; be more concerned about the supply. Because we have a great demand for canola from around the world, and growing demand.

(1630)

When I get to Taiwan - I'll explain to you that in Taiwan there is a company that's selling canola right now who are interested in possibly processing canola, but every ounce of canola they sell right now, they're losing money on. Last year they sold 500 tonnes. This year they hope to sell 3,000 tonnes. And when they get up to 10,000 tonnes of oil for a market, then they will probably start producing themselves and consuming our raw product.

So Japan knows very well that there is great demand for canola, and we explained that to them. And I think that helped to push them into deciding that they should allow transgenics because first of all, the safety product is there and the fact that the consumption is going up and they're going to be competing with other people in the world with a product that is very limited.

We explained to them that the acreage is going to be reduced slightly this year. Not to be concerned about that because if we get a decent crop, the production could be up and we could have more product than last year. But we were saying that unless we get a product that is more heat tolerant and can move further south in the province to be produced, there is a limited area in Canada — not just in Saskatchewan, but in Canada — for canola production.

Anyway, that's a long story to tell you that we felt that we really accomplished something there. And they — without saying yes, absolutely — indicated that possibly by this fall they hope that they have legislation in place to accept transgenics.

I don't know how long you want me to go on. I'll abbreviate this, so you can ask another question. But then we went to Korea. Korea we talked about feed peas and pork.

An Hon. Member: — But did you have a good time?

Hon. Mr. Upshall: — We worked so hard we didn't even get any sleep. Field peas and pork. In Hong Kong we talked about canola. We talked about a CIDA (Canadian International Development Agency) project in mainland China that needs funding to ensure our potash production over here. I can get into that later if you like.

Went to Taiwan, spent nine days in Taiwan talking to the ministers — not the minister in Taiwan; Korea, talked to the minister — to officials from the government. We talked to a mustard processor in southern Taiwan. We talked to people who are buying organic seed, sprouting seeds, from Mumm's up at Shellbrook. And they plan to be buying more product from them. We talked to people who were interested - sorry, in

Korea. We missed antler velvet in Korea - anything from ostrich to ginseng to horseradish. I mean when you talk to these people, they're interested in almost anything we can grow over here.

So from that aspect, I think it was very successful. I can elaborate much longer on this trip because it's quite exciting to know the potential over there, but I'll allow you to ask another question.

Mr. Aldridge: — Thank you, Mr. Minister. I'm sure it was just an oversight, but I did ask at the outset, when was your trip originally planned. We want to have some sort of an idea in terms of your department and when it contemplates taking initiatives such as you've undertaken, how far in advance are you planning for these types of initiatives? And then also I did ask how many of your officials from your department had accompanied you in the trip.

Hon. Mr. Upshall: — Yes, sorry. From the department, I had one official with me, from the Department of Agriculture and Food. But I also had with me my chief of staff from my office, which was just for logistical purposes, organizing.

But the trip was initially planned, if you recall, by Mr. Goodale and the federal government. This was the Team Canada. Let me explain that. The first half of this trip was the Team Canada mission organized by Mr. Goodale. That was originally set for February and then it was postponed. If you recall the whole federal cabinet shuffle, it was postponed because of that, I believe, and then it was rescheduled for March. And again it was some time in late February that Mr. Goodale's office contacted us and asked us if we wanted to go on the trip.

We talked it over with the department officials and myself, and we thought it would be a good trip to go on. It's especially important, we felt. And we were really pleased that Mr. Goodale initiated this, because I didn't realize how important it was until I got there.

But to have a Canada front, common front in Asia, is very important. Because they don't see us as Saskatchewan or Alberta or B.C. (British Columbia) — they see us as Canada. And it was an opportunity for us for Mr. Goodale to help open doors for us as a province, and then for us to open doors for our people who were on our mission with us. So that was the process of the trip, and I think that's answered all your questions.

Mr. Aldridge: — Thank you, Mr. Deputy Chair, and Mr. Minister. With respect to the trip, I was very pleased to see you acknowledging the national front in terms of a Team Canada approach. And we do feel that this is probably the most efficient and certainly most economical approach, and the most visible approach, I might add. I would corroborate what you've said, where when you travel around the world, we're recognized as Canadians versus any provincial differentiation, to a large degree.

But if I could go back to - you mentioned when you made your trip to Tokyo, a rather large cooperative that is doing something in excess of \$1 billion per year in trade. A company of this size or cooperative of this size, and if they are undertaking a good

degree of activity related to just trading — pure trading if you'd have it — would they not have had any presence here in Canada? Would there not have perhaps been an office for a company such as that in say, the province of British Columbia, in Vancouver, where perhaps some economies could have been realized more so by just stopping in on a local office of such a corporation?

And also if you would, just along in line with this questioning, could you provide us the total cost with respect to the department, your department, and the trip — what this may have cost the taxpayers.

Hon. Mr. Upshall: — With regards to the total cost, as I indicated to the press and to the opposition earlier, as soon as we get it all compiled we'll get it to you. And that should be almost ready but it's not quite ready yet. But we certainly will do that. It will certainly be done, well shortly.

I would undertake to get it to you before these estimates are over so you can ask more questions on it if - not today but before the Agriculture estimates - before you're done with estimates in Agriculture.

I don't know if ... you'll have to appreciate ... What I'll undertake to do is get a list of ... some companies have offices in Canada. Very few, but some do. Zen-Noh, I do not believe have an office in Canada. I'd have to double check, but I'm pretty sure they don't. But that's not ... And you could; if they had an office, yes, you could go see them.

But the important thing is to go to the consumer, to the buyer, where they live. And it's easy for me to say this. But if you want someone, if you want to double check this, I just ask you to pick up the phone and phone Thomson Meats or Humboldt Flour Mills or SPI (Saskatchewan Pork International Marketing Group) or canola council or CBEF, Canada Beef Export Federation or the Canadian Wheat Board, even though they've got a great reputation over there. The importance of having government people over in the country that's consuming ... like I say, it's very important to be there, but don't take my word for it. I encourage you to phone these people and ask them if they think it's important for government to be there.

And it is important for the team Canada approach, especially on the first trip. Part of the key... the key, rather, to dealing with Asian countries and to some degree other countries, but especially Asian countries, is you don't deal with them until they know you basically. The first trip with Mr. Goodale opening doors for us and we opening doors for our producers is the first step. Then it's to get to know them to continue to build the confidence to do business.

And again, you don't have to take my word. You can ask . . . in fact in the next estimates I'll bring an article I neglected to bring today on Asia from — I think it was — *Newsweek*. But they were interviewing in Manitoba, a Manitoba person who was doing business in Asia, and they were saying exactly the same thing. So like I say, you don't have to take my word for it. But from fresh off being there, this is really important, the contacts.

And one of the things that's most important is the follow-up.

And this is why I'm beginning to talk with my department now as to what presence do we need as a follow-up. We're doing follow-up as far as contacts that we've made now and opportunities that have been opened, whether it be in capital investment in Canada. And some of these things, most of these things I can't tell you publicly. In private, I can talk to you about them because there are certain sensitivities about people doing business who don't want it public. But I'd certainly be willing to mention some of the potentials that we have to you privately at any point in time as you wish. But it's important to follow up.

And what I'm trying to establish now is how often is it necessary for a government official to be in Asian countries. And it looks . . . I guess if I were guessing, I would say probably three times in two years or eight to nine months apart. And that is contacting the people who are over there.

And the cynics and critics will of course say, well yes, you're planning your next holiday. Well I accept that criticism even though it might be wrong. But I can't emphasize enough the value of the presence of the producers ... the partnership between the producer of the product from Saskatchewan, the government, and our trade people abroad meeting with the consumer or trading house. They call them trading houses, basically, over in Asia. So that partnership is being moulded. I'm not the first guy that was there. I mean this has been going on for a number of years.

The difference now is that because of GATT (General Agreement on Tariffs and Trade) changes, because of rural trade organization rules changing and the tariffs being reduced in those countries, there is much more potential for two areas: (1) shipping a processed or value added product to the customer; and (2) having investors from Asia invest capital in Saskatchewan to help us value add to our primary products. So that area is opening up greatly right now because of changing trade rules.

Mr. Aldridge: — Thank you, Mr. Minister. You mentioned with respect to follow-up that you're contemplating perhaps three times within the next two years. Could you just perhaps elaborate a little bit more on that? I would take that to mean that yourself or officials of your department might be undertaking another trip to the very same sector perhaps within this fiscal year. And would you perhaps just elaborate upon that, or are you undertaking initiatives to other parts of the world?

Hon. Mr. Upshall: — Well as far as Agriculture is concerned, what we're doing now is trying to decide what the necessary follow-up is. When I said eight times or eight times . . . every eight months or three times in two years, I'm just giving you my perception of what I think might be a ballpark time frame.

Because . . . what we're talking about and what I'm trying to put forward is how to establish a constant presence, whether it be Economic Development, Agriculture, Premier-Prime Minister trade mission, whether it be producers from Saskatchewan going over there to trade shows. Whatever it is, I think that one of the advantages that we can give to ourselves is if we try to establish a constant presence in the region.

And ... (inaudible interjection) ... Well the member from Shaunavon ... no, what's the name of it now? Wherever he's from, down in the corner. He says, I'm not just trying to get a few more trips for myself. Well I'll tell you, no that's not the reason. But you won't believe me. But I'll tell you, if you were ever to be able to form government, which is just almost totally unlikely that you would know the importance of going over there. (1645)

In fact ... so anyway the trade missions ... we have people from the Government of Saskatchewan, not just Agriculture, but who are over in Africa, Ukraine, South America, Asia, as part of their job, for trade. They're our trade people, and every government has them. Manitoba has them. Alberta has them. And these people visit those regions on a regular basis doing the follow-up, the contact with the region.

So anything that's . . . as far as agriculture is concerned, we're not planning anything specifically right now for agriculture. What we've done . . . we just had a meeting last week, what we called a debriefing meeting where we asked all the people that were on Mr. Goodale's trade mission . . . in fact, Mr. Goodale sent a representative himself to do a little debriefing session to talk about where we go from here.

So we're just in the process of figuring out what the next step is in this continual . . . I mean you and I'll be here and gone and this whole trade thing will continue to go. The important thing is that we tap the opportunity that's over there right now.

Mr. Aldridge: — Thank you, Mr. Minister. I certainly would acknowledge that trade is what the whole world revolves around. But my comments, my next comments — and then I would put a question to you or at least a question, perhaps two — are that . . . and you did acknowledge the presence of other governmental ministers from both provinces, federally. Do you not feel that there is some unnecessary overlap in this regard? And the trip that you've described, having just been contemplated in February of this year, would seem to me to be somewhat of an ad hoc planning process.

So within the estimates provided for this fiscal year, could we not then assume that perhaps there might be some more ad hoc trips planned on the part of your department? If you might just want to make some comment in this regard because I think what is important here is that we get private businessmen anywhere in this world certainly promoting the export of products from this country. Nobody on this side of the House would have any disagreement with that whatsoever.

However when we have some duplication and overlap, and some would say and we would maintain, the costs associated with that with respect to governmental officials, that is where we have to draw a line and say, well perhaps the monies could be better used at home. So if you might just make some comments.

Hon. Mr. Upshall: — Well certainly I would like to make some comments on that. I don't know, maybe you don't understand. The mission that we went on, which I was happy to go on, and I'm pleased Mr. Goodale . . . and I'm sure he'll be

having other ones. Not maybe to the same people or the same area. It might be the same area but not the same companies, because you can only meet so many. But you always touch base with government and then you touch base with those people who you think are the most valued customers. And it's a rotating thing because you generally try to expand your base of trade.

But I don't know, I don't quite understand, what you mean by duplication. I think I understand what you mean by duplication because . . . But, for example, in Taiwan. We were in Taiwan, or in any country, but let's say Taiwan. We were in Taiwan. Manitoba have representatives in Taiwan, and the Premier from . . . or the Minister of Agriculture from Manitoba was over in Taiwan the same time I was. And from a Canadian perspective, that might be duplication.

But I don't think that the minister from Manitoba, bless his heart, is going to try to stimulate the hog industry in Saskatchewan. So while you might think it's duplication because different provinces have people over there at the same time, we each have different customers.

We have customers that are lined up with value added producers here who . . . And I'll give you an example. And the reason I give you this example is because Lorne Thomson from Thomson Meats made this public just the other day. He said the advantage of having the Government of Saskatchewan over there in the capacity as minister not only helped raise the profile for him to support his business, to give them confidence that his business was legitimate and they could do business with him, but the person that he did business with, Nichimen Corporation, was a mid-level bureaucrat in the corporation.

That bureaucrat was really happy because he got to sit down and visit ... or not visit ... sit around the same table and do business as a senior vice-president. And he said to Lorne Thomson, that never would have happened had the minister not been there.

So those are the examples. I mean sometimes I describe myself over there as a cheerleader. I'm there . . . I mean the people here do the business. The business people do the business. But everybody's got a role to play.

And I'm sure when we came back here that we wouldn't have had . . . I think we had every person on the trip that participated in the first 10 days, come to Regina here . . . no, I shouldn't say that. CBEF couldn't make it but I think they were about the only one. But the canola council came from Winnipeg; Wheat Board came from Winnipeg; Thomson Meats, Humboldt; SPI (Saskatchewan Pork International Marketing Group) . . . I just forget. But when we invited them they all came because they know the importance.

And like I say, don't take my word for it. If you think this is a waste of time, phone some of these folks and ask them. I mean I haven't paid them to say, yes, it was a good thing. You can talk about Saskatchewan government; you can talk to the Wheat Board about the Alberta or Manitoba government, because they do business with those governments as well; you can talk to the Canola Council of Canada about any province that produces canola. I mean don't believe me, just go ask them.

Mr. Aldridge: — Thank you, Mr. Minister. Would you be able to provide us with a little information concerning Canadian embassies? Some of these locations that you did travel to certainly must have had Canadian embassies, commercial consulate offices, commercial officers anyway, on-site who certainly can promote the importation of our products from wherever in Canada, but also including a number in Saskatchewan which are very important. Could they not have made the same contacts through these offices?

And would you also maybe perhaps comment where you're suggesting that your status as the Minister of Agriculture of a province had more weight than a Canadian embassy official or the federal Minister of Agriculture? If you might want to just elaborate a little further on that.

Hon. Mr. Upshall: — No, you weren't listening very well. What I said was the federal minister opened the doors for the provincial ministers to some degree. Okay? So they took the lead. I mean if you're criticizing my involvement, you're criticizing Mr. Goodale's involvement. I mean if you want to do that, that's fine.

But you obviously don't understand the trading. And this is not a criticism of you. Trust me, I didn't understand it — I didn't understand it till I went there. It was my first trip to Asia. And that's what I said to everybody when I came back — I didn't understand the importance of government. It's a different society. People in Asia actually respect their government officials.

And when we go over there, they treat you with great respect. You open the doors, and you make the contacts. And the first contact is basically just, how do you do; get to know you. Then the second contact is when you start to do business. They get the feeling that they can trust and they know you. Getting to know people is 99 per cent of the trade game over there. Like I say, I didn't realize that.

And with the consulates and the ambassador and the — what's the word I'm looking for, where the ambassador lives? — the embassy, the embassy in Tokyo, and you can ask Mr. Goodale and his people, Bill Ross, or any of those guys, they did an excellent job of lining up the people that we were meeting with. Bob Mason down in Nagoya who is the trade officer; Jim Hannah over in Korea that set up lots of meetings for us — these people do tremendous work, not just for Saskatchewan. They're doing this constantly for 10 provinces and the two territories I mean, and they've got eight hours a day to work.

So again if you don't believe me, ask them how important it is. Write Don Campbell, the ambassador for Tokyo, a fellow, a person who I just met over on the trip. A very personable man who knows the trade business — write him a letter and ask him if it's important that provincial ministers or governments be represented while trading over in Asia.

Mr. Aldridge: — Thank you, Mr. Minister. Mr. Minister, with respect to your response just now, I would undertake that it was important that the federal Minister of Agriculture be present in such a mission.

But my next question would be, were you involved directly in negotiation of any particular contracts while you were on your trip in the Far East? And if you could, if you might just outline some of those for the House this afternoon.

Hon. Mr. Upshall: — The answer is, yes and no. You'll love that, I know. We were directly involved in sitting down with producers, value added producers from Saskatchewan, and the people they're doing business with. And the meeting would consist of opening remarks from myself, or if Mr. Goodale was there, of course he would be first. When we were with Mr. Goodale's mission, it was more of a general nature, not that specific. When we were on our own, then we were working with our value added producers here and their buyers. We would sit down in our meeting room with the three parties — the Government of Saskatchewan, the consumer — the trading house — and the value added producer.

And all of what we would do is talk about product safety. For example, if we were talking about meat, I would talk about the federal and provincial regulations that we have in place to ensure product safety and how we understand that provides quality, and how we understand that quality, in turn, provides product safety. And we know they're involved heavily in product safety because their consumers demand.

And we know that simply because — I may have said this earlier — in Japan, when the British beef scare started a few months ago, their beef consumption went down 30 per cent — 30 per cent. I mean that affects not only us, but the world, as far as the potential drop in consumption of beef. So what we did when we sat down with Mr. Thomson and his people he does business with was reassure them that we provide the quality control regulations that Lorne wants and needs and follows in order to provide the product safely. We sat down with processors; we sat down with a company who, as I said, who were importing raw canola now, and they talked to us about the potential about setting up a processing plant and how we might work together on that.

So yes directly to some degree, but to another degree indirectly because we didn't actually . . . we don't sign the lines or sign the deals.

Mr. McPherson: — Thank you, Mr. Deputy Chair. Mr. Minister, before we wrap up here in a few minutes there'll be a few things that I would ask you to bring the next time you come before estimates.

That'll be a complete, detailed list on ACS (Agricultural Credit Corporation of Saskatchewan) loans — where they're at. And in fact of a breakdown of the loans from last year to this year. The number of participants in dollars. If we could have also a complete list of your crop insurance contracts per region.

If we could get . . . just ensure that you have those breakdowns when you come. And also, Mr. Minister, if you have yet to table the answers to the global package . . . do you have that global package with you today?

Hon. Mr. Upshall: — Yes, we will provide as much information as possible. And with the global package, we'll get

that — that is being worked on — we'll get that to you as soon as possible. Okay.

Mr. Chairperson, I would now ask that we rise and report progress and ask for leave to sit again.

The Chair: — Why is the member from Wood River on his feet?

Mr. McPherson: — Thank you, Mr. Chair. Just to say thank you to the minister's officials and look forward to several returns on this issue.

The committee reported progress.

The Assembly adjourned at 5 p.m.