

The Assembly met at 13:30.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Hermanson:** — Thank you, Mr. Speaker. Mr. Speaker, I have a petition regarding two of the government's Crown corporations — SaskPower and SaskEnergy. Both recently announced significant rate increases for residential and business customers.

Mr. Speaker, the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its windfall oil and gas revenues to provide a more substantial energy rate rebate to Saskatchewan consumers.

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

Mr. Speaker, these petitioners are primarily from the riding of Rosetown-Biggar. I see Biggar, Kelfield, and Perdue. And I'm pleased to present this petition on their behalf.

**Mr. Gantfoer:** — Mr. Speaker, I too rise on behalf of citizens concerned about the high cost of energy. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its windfall oil and gas revenues to provide a more substantial energy rate rebate to Saskatchewan consumers.

Signatures on this petition, Mr. Speaker, are of course from my community of Melfort, but also from Saskatoon, St. Brieux, and Codette, and Weldon.

I so present.

**Mr. Toth:** — Thank you, Mr. Speaker, to present a petition as well, in reference to hospital care in this province. And reading the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to ensure that the Redvers Health Centre be maintained at its current level of service, at minimum, with 24-hour acute care, emergency, and doctoral services available, as well as laboratory, physiotherapy, public health, home care, and long-term care services available to users for our district, southeast Saskatchewan and southwest Manitoba and beyond.

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

And, Mr. Speaker, this petition is signed by the good people of Redvers, Carievale, Storthoaks, and Fairlight.

I so present.

**Mr. Wartman:** — Mr. Speaker, I have a petition here with regards to comprehensive tobacco control legislation from citizens concerned about the use of tobacco and the problems that that causes for many, particularly children and adolescents. The petition reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to pass comprehensive provincial legislation to prevent children from starting to smoke, to protect all citizens from second-hand smoke in public places, and to reduce youth access to tobacco products.

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

Thank you.

**Mr. Wall:** — Thank you, Mr. Speaker. It's a pleasure to rise again on behalf of people from Swift Current and area concerned about the state of the hospital in Swift Current. And the prayer of this petition reads as follows:

Wherefore your petitioners will humbly pray that your Hon. Assembly may be pleased to cause the provincial government to carefully consider Swift Current's request for a new hospital.

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

Mr. Speaker, this petition is signed by people from the city of Swift Current, from Waldeck, from Ponteix, and from McCord, Saskatchewan.

I so present.

**Mr. McMorris:** — Thank you, Mr. Speaker. I too present petitions on behalf of citizens from this province. The petition is regarding the Redvers Health Centre. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to ensure that the Redvers Health Centre be maintained at its current level of service, at a minimum, with 24-hour acute care, emergency, and doctoral services available, as well as laboratory, physiotherapy, public health, home care, and long-term care services available to the users from our health district, southeast Saskatchewan and southwest Manitoba and beyond.

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

This petition is signed by the good people in the Redvers area, Wauchope, and Bellegarde.

I so present.

**Mr. McCall:** — Mr. Speaker, I rise with a petition in support of comprehensive tobacco control legislation. The prayer of the

petition reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to pass comprehensive provincial legislation to prevent children from starting to smoke, to protect all citizens from second-hand smoke in public places, and to reduce youth access to tobacco products.

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

This is signed by citizens throughout Regina. Thank you, Mr. Speaker.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I also have a petition dealing with the Redvers Health Care Centre. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to ensure that the Redvers Health Centre be maintained at its current level of service, at minimum, with 24-hour care, emergency, and doctoral services available, as well as laboratory, physiotherapy, public health, home care, and long-term care services available to the users from our district, southeast Saskatchewan and southwest Manitoba and beyond.

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

These petitions, Mr. Speaker, come from the Redvers, Wauchope, and Antler areas.

I so present.

**Mr. Weekes:** — Thank you, Mr. Speaker. I also would like to present a petition to stop the conversion of Highway 396 from pavement to gravel. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to set aside any plans to revert Saskatchewan highways back to gravel, commit that the government will not download responsibility for current numbered highways onto local governments, and to consult with local residents, and to co-operate in finding and implementing other alternatives.

Signed by the good citizens of Maymont and Richard.

Thank you, Mr. Speaker.

**Mr. Brkich:** — Mr. Speaker, I have a petition here of citizens concerned and very worried about rate increases from SaskEnergy, SaskPower.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its windfall oil and gas revenues to provide a more substantial energy rate rebate to Saskatchewan consumers.

As in duty bound, your petitioners will ever pray.

It is signed by the good citizens from Holdfast, Turtleford, Assiniboia, Saskatoon, Debden, Chamberlain, Regina, Moose Jaw, and Holdfast.

I so present.

**Mr. Hart:** — Thank you, Mr. Speaker. I rise too today to present a petition on behalf of concerned constituents. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to not implement the consolidation and centralization of ambulance services as recommended in the EMS report and to affirm its intent to improve community-based ambulance services.

Signatures to this petition come from the communities of Wynyard, Dafoe, and Jansen.

I so present.

**Mr. Allchurch:** — Thank you, Mr. Speaker. I too rise in the Assembly today to bring forth a petition regarding citizens displeased with the energy rate rebate program.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its windfall oil and gas revenues to provide a more sustainable energy rate rebate to Saskatchewan consumers.

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

And the signatures on this petition, Mr. Speaker, are from Spiritwood and Medstead.

I so present.

**Mr. Peters:** — Thank you, Mr. Speaker. I have a petition where people from the province are concerned about the Pioneer Lodge in Assiniboia. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to ensure that, at very least, current levels of services and care be maintained at Pioneer Lodge in Assiniboia.

Mr. Speaker, the petition is signed from folks from Assiniboia.

I so present.

**Mr. Huyghebaert:** — Mr. Speaker, again I rise with a petition to stop further cuts at Assiniboia Pioneer Lodge. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary action to ensure that, at the very least, current levels of services and care are maintained at Pioneer Lodge in Assiniboia.

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

And, Mr. Speaker, the signators on this are from Assiniboia, Rocklén, Lafleche, St. Victor, Limerick, and Crane Valley.

I so present.

### 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 on the following matters:

To ensure the Redvers Health Centre be maintained at its current level of service;

To remove government funding of abortions;

To not implement centralization of ambulance services;

To consider Swift Current's request for a new hospital;

To ensure current levels of services at Pioneer Lodge in Assiniboia;

To provide a more substantial energy rebate to consumers; and

To ensure the Hafford Hospital remains open.

### INTRODUCTION OF GUESTS

**The Speaker:** — Members of the Legislative Assembly, you may have noticed that in the Speaker's gallery there are a group of 18 teachers who are now visiting the legislature. These are social science teachers who are, for the most part, who are engaged in the third social science teachers' institute here at the legislature. They are accompanied by personnel from the Department of Education, plus two teachers who are on the steering committee.

They came to the legislature Saturday and have been working through the weekend and will be working until May . . . Wednesday, this May 2, I believe that becomes. And they will be meeting with the House leaders, with ministers, with deputy ministers, with Clerks. They've met with the Lieutenant Governor, with the members of the media, and other members of caucus staff.

They have a very packed agenda. They are experiencing first-hand how our parliamentary system in Saskatchewan works. As a result of this, they will be completing an assignment to develop units of study and lesson plans. Sask Ed will be posting these lesson plans on their Web site so that these resources will be available to all teachers in the province. That way there will be a benefit, not only to their colleagues, but also to the students across Saskatchewan.

I would like all the members to give a warm welcome to these teachers at the institute.

**Hon. Members:** Hear, hear!

**Hon. Ms. Crofford:** — Thank you very much, Mr. Speaker. And I'd like to, through you, ask the members of the legislature to welcome today 23 students from Sacred Heart Community School in the west gallery, accompanied by their teacher Carey Dziaduck and chaperone Donella Harvey.

And I just want to say that I've been to this school many times, Mr. Speaker — it's a great school, wonderful artwork all over the hallways — and that they have one of the best playgrounds in town.

So if the members would join me in welcoming these young people here today.

**Hon. Members:** Hear, hear!

**Hon. Ms. Lorjé:** — Thank you very much, Mr. Speaker. In your gallery, Mr. Speaker, is Debbie Saum, executive assistant to the deputy minister of Intergovernmental and Aboriginal Affairs, and program coordinator for the royal visit. And she is joined today with her mother, Kathleen Johnson, and I'm sure that Kathleen is here to, along with the minister, to congratulate and commend Debbie for the excellent work that she and all the staff involved with the royal visit did.

So I would ask members to please welcome Debbie and Kathleen.

**Hon. Members:** Hear, hear!

### STATEMENTS BY MEMBERS

#### Gull Lake Hockey Team Wins Provincial Title

**Mr. Elhard:** — Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize an outstanding young hockey team, the Gull Lake Pee Wee Greyhounds. Their road to success started back in November when they began play and ended on March 30 this past year with a provincial banner.

Now this team played a total of 62 hockey games with a record of 51 wins, 7 losses, and 4 ties. They won four of six tournaments that they played throughout the province and they ended up with three championships. They were the Whitemud League Champions, they were the Swift Current House League Champions, and on March 30 they won the Provincial C Championship.

So I would like to take this opportunity to congratulate each of the team members on their accomplishments. Winning three championships is a result of hard work, dedication to the game and to the other team members, and of course requires the support of family and fans alike.

The thrill of winning a provincial championship I'm sure will last a lifetime. And I would also like to congratulate the team manager, Mr. Terry Bailey, and the coaches, Mr. George Harvey and Mr. Tim Robertson, whose direction and encouragement facilitated this very successful and memorable season for the Pee Wee Greyhounds.

**Some Hon. Members:** Hear, hear!

(13:45)

#### **Thank You to All Involved with Royal Visit**

**Ms. Higgins:** — Thank you, Mr. Speaker. The entire province was thrilled by the visit of His Royal Highness the Prince of Wales. Now that the prince is safely away from our responsibility, and now that we can say with assurance that his visit was a great success, I want, on behalf of all members of the Assembly, to congratulate and thank the many excellent civil servants, community organizations, businesses, and others who worked so hard to make this a memorable visit.

First, the Provincial Secretary and her highly efficient staff, including Deputy Minister Brent Cotter; visit coordinator Michael Jackson and the many protocol staff; the Lieutenant-Governor's staff; SPMC; the Legislative Building staff; and the entire anniversaries secretariat. Thanks to them, the Prince — and we — were where we were supposed to be on time.

Thanks to the RCMP security coordinator, Corporal Dale Schroh, to the Regina Inn and staff, to Canadian Heritage, and the Prince's personal staff.

And in particular, thanks to all our community event partners: the city of Regina, Canada Youth Business Federation, Scott Collegiate, Chili for Children, 15 Wing Moose Jaw, the town of Assiniboia, Prairie Rubber Plant of Assiniboia, Saskatoon Community Services Village, Meewasin Valley Authority, and Wanuskewin Heritage Park.

This was truly a weekend to remember, and all these organizations helped make it that way. Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

#### **Canadian Forces Snowbirds Show**

**Mr. Huyghebaert:** — Mr. Speaker, on Wednesday last I had the distinct opportunity to attend the 2001 acceptance show by the Canadian Forces Snowbirds aerobatic team. This aerobatic display was performed before hundreds of family and friends and dignitaries. But the real reason for the demonstration, Mr. Speaker, was to seek approval from Department of National Defence officials, the Federal Aviation Administration, and ministry of Transport.

These officials view the display and give their stamp of approval for the 2001 air show season. The show was performed outstanding and was approved by Brigadier General Findlay from 1 Canadian Air Division.

Mr. Speaker, the Snowbirds are a national institution — dare I say a national icon. They fly the Tutor aircraft in the colours of the Canadian flag. The team represents the vibrant spirit of this nation thrilling audiences across Canada and the United States.

While not a combat unit, the Snowbirds exhibit the skills and courage that Canada's combat forces count on to contribute to world peace and security. The Snowbirds are also a visible

example of the high degree of dedication, professionalism, and teamwork found throughout the air force and the Canadian Forces.

Mr. Speaker, the Snowbirds are ambassadors not only to the military, but to Canada and especially the province of Saskatchewan.

I'd like to take this opportunity to congratulate the Snowbirds on their outstanding achievements and wish them a safe and successful air show season on behalf of everyone in this Assembly.

**Some Hon. Members:** Hear, hear!

#### **National Science Fair**

**Hon. Mr. Sonntag:** — Mr. Speaker, I'd like to speak today about some very exciting youth from my constituency.

Three students from the Jonas Samson Junior High in Meadow Lake will be showing their science projects at the National Science Fair in Kingston, Ontario from May 12 to 20.

A total of 12 regional fairs were held across the province from March 16 to April 7. In total 123 schools and approximately 1,570 students participated in local and regional science fair programs this year.

Out of all of these students Kaitlin Harman and Amanda Kunkel won first place, and Justin Groenewoud won second place at the Northwest Science Fair on March 21. These placings qualified the three students for the national final.

I'd like to wish these students the best of luck in the national fair, as I know they will represent the spirit of Saskatchewan.

Also, I'd like to congratulate all the participants, teachers, and coordinators who were involved in a local or regional science fair. Your commitment to education and the development of youth is very much appreciated. Thank you.

**Some Hon. Members:** Hear, hear!

#### **Hanley-Dundurn Community Consultative Group**

**Mr. Brkich:** — Mr. Speaker, I rise today in the House to talk about a group of men and women who have volunteered their time to form a group which consults with the local RCMP (Royal Canadian Mounted Police) members relation security issues.

The Hanley-Dundurn Community Consultative Group is chaired by Cindy Hoffman and has been up and running for several years now. They hold meetings once a month and the group gets together with the purpose of talking with the local RCMP members who are based in Hanley.

These meetings revolve around community input into the policing process as well as the update by RCMP members in relation to security issues for the town of Hanley and Dundurn, surrounding areas, as well as security concerns in regards to Highway 11.

These dedicated people give all communities in Saskatchewan a shining example of how they can work together with local police officials to ensure that all concerns of a security and safety nature are met.

I'm proud to say that my office has attended two of the meetings this past winter. I'm very pleased with the results of these meetings. It shows that these folks in the Hanley-Dundurn area are very focused on the important issues regarding policing and the degree of co-operation and assistance between the members and the RCMP staff which are three presently in the Hanley detachment.

They have indicated that there was once five members there but due to several factors they were cut back to three. They would simply like to develop a strategy which would include the additional two members being returned to their area. I would definitely agree with that assessment and would like to congratulate the members of this group and the RCMP for all the work they've done in keeping the communities of Hanley and Dundurn safe with the resources they have available to them.

**Some Hon. Members:** Hear, hear!

#### **90th Anniversary of Saskatoon YWCA**

**Ms. Junor:** — Among the many stops of the Prince of Wales during his Saskatchewan tour was a brief stop at the Saskatoon YWCA as part of his visit to the Saskatoon Community Services Village. At the Y, Prince Charles unveiled a plaque to open the reconstructed YWCA historic arches which, in turn, were restored to commemorate the Saskatoon YWCA's 90th anniversary of outstanding service to women and to the community of Saskatoon.

It is fitting, Mr. Speaker, that this anniversary be marked by such an historic occasion with such a distinguished visitor, for the YWCA has been an integral part of the life of our city since its beginning 90 years ago. Ours and other cities are better off because of the Y's genteel and civilizing presence. As Sue Williams, Chair of the 90th anniversary committee said, the YWCA has evolved over the last 90 years to meet the changing needs of Saskatchewan women.

It contains within its walls and in its records, the social history of our province. It began as a respectable residence for women coming to Saskatoon; expanded to offer programs in sewing and dancing in the 1950s. Then as society became more complex and more challenging, it evolved into providing both daycare and crisis sheltering to meet the changing needs of women.

To this new role, Mr. Speaker, the official ceremony last Wednesday also marked the naming of Margaret's Place, the YWCA's new transitional shelter for teenage mothers and their children.

I congratulate the Saskatoon YWCA for its first 90 years of meeting the needs of Saskatoon women. And I am confident that it will adapt, however it is necessary, to continue serving over the next 90 years.

Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

#### **Young Lady Chosen to Tour with Prairie Region Cadet Honour Band**

**Mr. Weekes:** — Thank you, Mr. Speaker. I'd like to recognize a young lady chosen to tour with the Cadet Honour Band. Elisa Sargent, daughter of Bill and Karen Sargent of Borden, was chosen to tour and perform with the Prairie Region Cadet Honour Band 2001.

The tour took place April 6 to 22. Over 90 air, army, and sea cadets from the three prairie provinces and northwest Ontario gathered at Shilo, Manitoba for a week of training, April 6 to 13. The cadets then performed in Thunder Bay, Winnipeg, Regina, Calgary, and Edmonton on April 21.

The mission of the tour was to train and develop senior cadet musicians' musical training and assist cadets with leadership roles within their cadet units. The concerts provided high quality entertainment and developed the cadet musicians' experience in larger concert presentations. It also presented highly visible . . . high visibility of the music program within the Canadian cadet organizations.

Please join me in congratulating Elisa Sargent being selected to tour and perform with the Prairie Region Cadet Honour Band 2001.

**Some Hon. Members:** Hear, hear!

#### **ORAL QUESTIONS**

##### **Information Services Corporation**

**Mr. Wall:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for the Crown Investments Corporation.

Mr. Speaker, last week we saw how the NDP's (New Democratic Party) little venture into trying to sell people's health care information failed. It cost taxpayers about \$2 million, but that pales in comparison to the \$11 million in losses racked up by the NDP's (New Democratic Party) new Information Services Corporation.

Mr. Speaker, ISC (Information Services Corporation) was originally set up to automate the Land Titles Office. Well the Land Titles Office still isn't automated, and Saskatchewan taxpayers have been relieved of about \$11 million by this Crown corporation. And ISC has lost these \$11 million, Mr. Speaker, which begs this question to the Minister of CIC (Crown Investments Corporation): could he explain why the government lost \$11 million on ISC?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Axworthy:** — Thank you, Mr. Speaker. Well, Mr. Speaker, let me thank the member first for his courtesy this morning and to remind him that, in fact, cases that the impact on the General Revenue Fund is nil by . . . as a result of the

things that have taken place here. The big issue here . . . there are two very big parts of this, of this response, Mr. Speaker.

The first is that by regulation the land corporation is required to transfer to the General Revenue Fund \$8 million each year. It has done that. That \$8 million is part of the \$10.9 million the member refers to.

The second component of the response, Mr. Speaker, is that the transfer from SPMC (Saskatchewan Property Management Corporation) to the land corporation of the geomatics division, of the geomatics asset required a writedown of \$5 million. This is required by the Provincial Auditor, and indeed by external auditors, Ernst & Young. And it is not a loss but it is a recognition that once the asset was transferred, in fact, was not worth as much as it was reported on the books of SPMC.

So you take those two . . .

**The Speaker:** — The minister's time has elapsed.

**Some Hon. Members:** Hear, hear!

**Mr. Wall:** — Thank you, Mr. Speaker. Interesting words, but the minister seems to be quibbling with exactly how much money the government lost in this venture.

Mr. Speaker, a lot of people are wondering exactly what ISC is up to. It was set up to automate the Land Titles system, however it now seems they're going way beyond their original mandate. In fact, an ad in Saturday's newspaper said, and I quote:

ISC will be a leader in creating the environment for electronic living.

Mr. Speaker, ISC hasn't even fulfilled its original mandate to automate Land Titles. But they decided to risk millions of taxpayer dollars trying to break into the high risk, Internet electronic industry, apparently, where investors, thousands of investors, have literally lost their shirt in the last year.

Mr. Speaker, to the minister: why has ISC gone beyond its original mandate? Why is it losing millions of taxpayers' dollars trying to break in to risky Internet electronic industry?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Axworthy:** — Well I know I was going to give a very long answer to the last question, but the fact of the matter is that, in fact in terms of land titles registration, the land corporation has made a profit of \$9.2 million. So in fact, Mr. Speaker, on the main element of business of ISC, the land corporation is making a profit and is doing what is expected to do.

But, Mr. Speaker, in consultations with the community, with the real estate industry, with lawyers and others, the business community, during the process of this development of the land corporation, it was recognized that this corporation should do much more than just deal with registration, transfer of titles to land.

As a result of that, Mr. Speaker, the investment in that corporation increased — increased to the point today, Mr. Speaker, where this will be a leading-edge computer high-tech company in this province providing jobs to young people and to others in this province, Mr. Speaker, and providing a very useful service to the community.

**Some Hon. Members:** Hear, hear!

**Mr. Wall:** — Well, Mr. Speaker, Mr. Speaker, the minister seems to be writing off these concerns, but I could tell you the Saskatchewan Party isn't the only one raising these concerns, Mr. Minister. In fact the first person to raise similar concerns is now sitting, is sitting, on that side of the House.

The Saskatchewan Party has obtained a memo dated December 14, 2000. It's an internal memo, Mr. Speaker, from NDP Minister of Economic Development at the time and the current member for Idylwyld.

She raises serious concerns about the direction ISC is headed. In her memo the former minister says, and I quote:

It now appears that ISC is going beyond its original mandate into other information technology areas. This apparent expansion is of concern (and get this, she says) as there are no concrete opportunities for significant new revenue beyond the marketing of land and geomatics.

Mr. Speaker, the former NDP Minister of Economic Development is saying that ISC has gone way beyond its mandate and it can't possibly make money in this new area.

To the minister, why is the minister and why is this government ignoring the warnings of the former Minister of Economic Development?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Axworthy:** — Well, Mr. Speaker, Mr. Speaker, the fact of the matter is that ISC is wider than it was at its original orientation. It goes well beyond what was originally envisioned for it, just land, because it's useful, it's productive, it's efficient, it's economic.

(14:00)

It's a good opportunity for this province, Mr. Speaker, to broaden out into other high-tech activities, into other high-tech ventures. And, Mr. Speaker, these are services which are in demand. We've had contacts overseas, Australia and other places, where they want this service, Mr. Speaker, where they're trying to do the same thing and, Mr. Speaker, where we can gain money, gain revenues for the people of this province so we can continue to build the economy of this province.

**Some Hon. Members:** Hear, hear!

**Mr. Wall:** — Thank you. Thank you, Mr. Speaker. Mr. Speaker, the minister of Economic Development at the time went on to raise other concerns. She said in her memo, and I quote:

Any expenses being incurred that go beyond the original mandate will ultimately have to be borne by land and geomatic clients in the province of Saskatchewan.

In other words, land titles' fees are going to wind up subsidizing any losses the NDP incur in this little experiment.

Mr. Speaker, why should land titles' customers and other taxpayers be forced to bail out another losing NDP venture? Why is the NDP refusing to listen to the warnings of the former minister of Economic Development?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Axworthy:** — Well, Mr. Speaker, the premise of the member's question is simply wrong. Users of the land registration system will not be subsidizing any activities of this corporation in this regard. These are investments, Mr. Speaker, in commercial activities which will repay to the people of this province and continue to build the economy of this province.

**Some Hon. Members:** Hear, hear!

**Mr. Wall:** — Mr. Speaker, the minister questions the premise of my question. The truth of it is that was the premise of the question of his former colleague, the former minister of Economic Development. Maybe he should have informed her of that when she raised these concerns, as she should of, in December last year.

Mr. Speaker, the former minister raised many other concerns. She said:

SaskTel, not ISC, has the provincial mandate for the development of e-commerce opportunities.

So now we have two Crown corporations competing in the same market. She also said:

The economic goal of growing the private information technology sector may be put at risk with further government expansion in this area.

So, Mr. Speaker, we have ISC competing with the private sector, competing with SaskTel, and losing \$11 million. It doesn't make any sense. The NDP's own Economic Development minister tried to tell them that back in December, but they didn't listen.

Mr. Speaker, why is the NDP spending millions of taxpayer dollars on a new Crown to compete with SaskTel and other private sector firms in the province?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Axworthy:** — Mr. Speaker, once again, the premise of the member's question is faulty. What ISC will be doing here, Mr. Speaker, is partnering with private sector corporations in this province, working with them to develop opportunities so that we can benefit the province . . . the economy of this province.

It is not about competing, Mr. Speaker; it is about working in

partnership with entrepreneurs, with investors in this province to build this province together. We believe, Mr. Speaker, in using the government . . . the Crown's resources to build this province, not to undermine it like the member opposite.

**Some Hon. Members:** Hear, hear!

**Mr. Wall:** — I guess after listening to these questions and those answers, people of this province are going to have to choose who they want to listen to, who they want to believe. They're going to have to choose between the much-respected former minister of Economic Development, the one-time minister of Finance in that government, or they're going to have to choose the line that we just heard from the Minister of Justice. I think they'll side with the former minister of Finance, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Wall:** — That's who I think they'll side with.

Mr. Speaker, I think they're also going to share the concerns that she has about this Crown corporation. And that's what we're asking about — about this corporation and the loss of 11 million taxpayer dollars.

Mr. Speaker, what is the minister going to do to rein in this corporation and prevent any future losses of taxpayers' money?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Axworthy:** — Mr. Speaker, as I mentioned, in the first year of operations dealing with the LAND (Land Titles Automated Network Development Project) project, this corporation made money. And I don't think the member's opposed to that. Indeed that seems to be the premise of his question that these corporations — as we believe too — should contribute to the economy of this province.

Now . . . (inaudible interjection) . . . Okay do you want me to go through it again? Because these are paper transactions, as the member knows very well. Five million dollars because of a re-evaluation ordered by the Auditor General and by Ernst & Young — \$5 million there. Eight million dollars by regulation transferred to the GRF (General Revenue Fund) — that makes 13. That makes a profit in my books.

**Some Hon. Members:** Hear, hear!

#### **Impact of Municipal Revenue-Sharing Grants**

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Municipal Government.

Mr. Speaker, it's been almost a month since the NDP decided to hire 570 new government employees instead of increasing revenue-sharing grants to municipalities. Now property taxes are going up across the province thanks to that government.

Mr. Speaker, the NDP's latest victim are the people of Humboldt. The city commissioner says property taxes in Humboldt are going up by 14 per cent. Mr. Speaker, 14 per cent because the NDP is refusing to increase funding for revenue sharing.

Will the minister explain to the people of Humboldt why he decided to make government bigger and force taxes up instead of increasing municipal revenue sharing and hold the line on property tax increases?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Osika:** — Well thank you, Mr. Speaker. I've said it many times in the House in response to questions from the hon. member and to this Assembly that this government remains committed to municipalities, through the agreements that have been entered into through infrastructure programs. And, Mr. Speaker, I understand that there are — I know there are — tax tools that are available to these communities that allow them to shift their tax bases, their policies. They include local mill rate factors, minimum tax base, and phase-in taxes, Mr. Speaker.

So this government has done everything possible to co-operate with municipalities in responding once again for more money for education to assist them in that particular area. Those are agreements that have been entered into, and agreed to, and we've come through with that, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Well, Mr. Speaker, I believe that the one thing that minister and that government's committed to is forcing every municipality in this province to raise taxes this year.

Mr. Speaker, the city commissioner in Humboldt has written to the Premier and here's what he said, and I quote:

The provincial government in its budget has once again chosen to ignore the plight of urban municipalities.

Mr. Speaker, this is the voice of the city at Humboldt. It isn't just the Saskatchewan Party. Communities across Saskatchewan are all saying the same thing — the NDP has its priorities all wrong.

His letter goes on to say, Mr. Speaker, and I quote:

The province's key tax revenues have doubled in recent years while grants such as revenue-sharing continue at all-time lows.

Mr. Speaker, why is the minister telling Saskatchewan communities they must do with less while this government sits on hundreds of thousands of dollars in a Fiscal Stabilization Fund — save it for an election fund — and everybody else has to do with less?

**Hon. Mr. Osika:** — Mr. Speaker, in response to the member's question, I want to again remind him that as a result of what the SUMA (Saskatchewan Urban Municipalities Association) people have asked this government, the government had acceded to, and that's more money in education. As a matter of fact I'm pleased to see here in an announcement made at noon that their Catholic Board lowers mill rate. These are the effects of agreements and responses to what we've been asked to do.

In addition to that, Mr. Speaker, the Centenary grants, the

municipal infrastructure program grants that have gone to the municipalities, have in fact increased that participation by this government to assist communities in doing what they need to do to maintain a good quality of life.

**Some Hon. Members:** Hear, hear!

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Well, Mr. Speaker, the minister should remember that Mike Badham and SUMA also asked for millions of dollars in increased revenue sharing. Where is that money, Mr. Minister?

Mr. Speaker, perhaps the minister hasn't realized how the NDP's misplaced priorities are impacting the city of Humboldt. According again to the city commissioner, and I quote:

We are at the point where the safety and security of our homes and businesses have been compromised.

Their RCMP staffing is below recommended levels. They need to upgrade their fire equipment. Their sewage treatment facilities must be expanded, and the infrastructure partnership program may only fund half of the project.

Mr. Speaker, the NDP's choice to ignore municipalities is driving property taxes up by 14 per cent in Humboldt and threatening the security and standard of living of Humboldt's people.

Mr. Speaker, on behalf of the city of Humboldt and as stated in this letter, will the minister reconsider the municipal revenue-sharing budget and commit another \$20 million to our communities this year?

**Hon. Mr. Cline:** — Mr. Speaker, I hope people are listening carefully to what the opposition is doing in this question period. First we have the member from Swift Current who gets up and says the government is losing too much money. Then we have the member from Saltcoats who gets up and says the government is sitting on too much money.

Now the member from Saltcoats says we're sitting on too much money and we should spend more. Well he should tell the member from Carrot River Valley who says, and it's on the record, Mr. Speaker, that we are spending too much. He says the budget is excessive expenditures.

He should tell the member from Cannington who is sitting right beside him who says the government is spending more money than it's bringing in. That's what he says, Mr. Speaker. He should tell the member from Lloydminster, who sits behind him, that says he doesn't think the budget is sustainable.

And the point is this, Mr. Speaker. These people are trying to be all things to all people. They say we're losing too much money. They say we're sitting on too much money. They say we're spending too much money. It can't be each of those ways, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, that Finance minister's, that Finance minister's 2001-2002 budget



has done one thing. It's caused an outbreak of tax increases right across this province.

**Some Hon. Members:** Hear, hear!

**Mr. Bjornerud:** — Mr. Speaker, we just heard about the concerns of the city of Humboldt over the safety of their residents.

Let's talk about the city of North Battleford. This community has been under a boil-water advisory for several days due to a contamination of their water supply by two parasites. Today we learned that the water filtration system in the city has been vulnerable to contamination for many years and that engineering consultants have been brought in by the city to review the system and come up with some solutions to the problem.

Mr. Speaker, this is also a provincial government responsibility. Cutbacks to revenue-sharing grants to municipalities have forced many communities to put off upgrades to their water treatment systems.

Mr. Speaker, why is the government putting people's health and safety at risk by not increasing revenue-sharing funds so communities can repair or renew their infrastructure?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Belanger:** — Thank you very much, Mr. Speaker. First of all this government is not putting any people of Saskatchewan at risk. This government takes their responsibility very, very clear and it takes their responsibility very, very highly.

Number one, Mr. Speaker, this government's working with all people — rural people, urban Saskatchewan people, people right across the board — to ensure we have proper water for all people of Saskatchewan.

Number one is that not only have we consulted on a regular basis with all people, Mr. Speaker, we have also increased funding for water quality testing by \$720,000 and 10 additional people, Mr. Speaker.

Any time and any day of the week, Mr. Speaker, we will put our record against that record. Thank you very much.

**Some Hon. Members:** Hear, hear!

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Well, Mr. Speaker, my next question is for any minister over there that feels responsible.

Mr. Speaker, the provincial government often points to the Canada-Saskatchewan Infrastructure Program as helping communities, and that's true. But the town of Battleford, who is also under a precautionary boil water advisory due to the problems in North Battleford, has been rejected for funding under the program.

They have requested \$2.4 million for a reservoir, well expansion, and water treatment plant and were turned down flat.

The fact there . . . was there was absolutely no increase to municipal revenue-sharing grants from the NDP and no support from the infrastructure program. This means the project will not go ahead.

Communities across Saskatchewan are having similar problems and water quality is a major one. Mr. Speaker, to the minister: how are these communities supposed to deal with some of these major issues when the NDP government has virtually abandoned them?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Belanger:** — Mr. Speaker, water quality across Saskatchewan is a very important issue and this government is working very closely with all people — municipalities, RMs (rural municipality), the small northern villages — and we're putting a lot of effort and we're putting a lot of resources in trying to help Saskatchewan people find long-term solutions to water quality.

(14:15)

What did this government do, Mr. Speaker — they hired 10 additional people to help the people of Saskatchewan with water quality problems. It's a challenge we face right across the board, Mr. Speaker. And what is really confusing for me, Mr. Speaker, is this . . .

**The Speaker:** — Order, order. Order, order. Order, please. The minister will continue, 30 seconds.

**Hon. Mr. Belanger:** — Thank you very much, Mr. Speaker. What is confusing to me, Mr. Speaker, is this opposition: one day they get up and they say you're spending too much money; the next day they get up and say, why are you hiring all these additional people. We hired 10 additional people, Mr. Speaker, to help with water quality problems for the people of Saskatchewan — something that they did not want to do, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

### Lanigan Hospital

**Ms. Harpauer:** — Thank you, Mr. Speaker. Mr. Speaker, over the weekend, I received several copies of letters that . . . regarding the proposed closure of the Lanigan Hospital. These letters were all addressed to the Minister of Health, and each letter states unequivocally that the stakeholders were not consulted by the Living Sky Health District, before hearing about the hospital closure.

This is contrary to what the minister told us in this Assembly last week. The RM of Wolverine writes:

To date this municipality has received no written notification regarding the upcoming closure; nor have we extended an invitation to meet with the district.

The village of Drake writes:

No written announcement or invitation to meet to announce

this closure or to discuss other options.

The town of Lanigan says they were never consulted, and to quote from the letter to the minister:

If you have been advised that the board and management are working with our communities, you've been terribly misinformed.

Mr. Speaker, why did the minister tell this Assembly and the media that the health district is working with the community and the stakeholders when this is so very obviously not the case?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Nilson:** — Mr. Speaker, in this particular community the local people are working together to come up with some solutions. The health district and the people have worked with the town council of Lanigan; they've worked with other people in the community.

Mr. Speaker, we on this side of the House have a lot of faith in the people who work as volunteers on the various boards and our local communities. We think that we need to give them the time to solve this particular problem. They have made an announcement that they were planning to do this for June 15 because they wanted to talk and work with the local people. The issue here is finding enough nurses to do the job. They are working to do . . . solve that problem. If they can solve that problem then a lot of these other issues will be dealt with.

But we have a lot of faith in our local people, and we're going to continue to support them.

**Some Hon. Members:** Hear, hear!

**Ms. Harpauer:** — Thank you, Mr. Speaker. Mr. Speaker, I too have a lot of faith in the local people in the Lanigan area. And in the paper this week, it says:

At this time the stakeholders have not received any comment from the Living Sky Health District that their efforts will be rewarded.

It says in the paper . . .

**The Speaker:** — Order. Order. Order. Order. Members will allow the member from Watrous to put the question.

**Ms. Harpauer:** —

After working diligently at the task of acquiring additional nurses, the town of Lanigan representatives, with the assistance and full co-operation of the Lanigan nursing staff, have found enough nurses to cover all the shifts, with several extra nurses available to cover unforeseen shift shortages for sickness and for personal leave days.

So if the town that has worked diligently to find these nurses have put this together, can the minister today promise us that they will not be having a cutback on their acute care services?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Nilson:** — Mr. Speaker, I would like to thank the member opposite for confirming exactly what I said — the local people would work together with all of those people on their district health board and administration to come up with a solution. They've got a June 15 target and they're working hard to make sure that they can provide the local services.

I would like to thank all those people who have worked very diligently to try to solve this particular problem. It will not be easy to manage the whole summer, given the fact that a number of the people haven't had vacations over the longer term. But what we do know is that local people have the skills and the knowledge and can work together to make sure that these kinds of problems are solved.

We believe that our people in Saskatchewan have the skills, the ingenuity and we will work to help provide the resources so that these services can be provided.

**Some Hon. Members:** Hear, hear!

## ORDERS OF THE DAY

### WRITTEN QUESTIONS

**Mr. Yates:** — Thank you, Mr. Speaker. I'm very pleased to stand today and respond to question no. 112 on behalf of the government.

**The Speaker:** — Question 112 has been responded to.

### GOVERNMENT ORDERS

### ADJOURNED DEBATES

### SECOND READINGS

#### Bill No. 3

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Lorjé that **Bill No. 3 — The Historic Properties Foundations Act** be now read a second time.

**Mr. Wiberg:** — Thank you, Mr. Speaker. This afternoon as we continue debate on Bill No. 3, The Historic Properties Foundation Act 2001, I was looking through some of the speeches that were made through debate in the past couple of weeks, Mr. Speaker, and some of the issues that are being raised.

Certainly when one looks at the Bill peripherally and takes a look at some of the comments that the minister, the Provincial Secretary has made, one would think that this was a Bill very much needed in this province. And from this point, Mr. Speaker, on this side of the House, we understand very clearly that historic buildings, historic sites must be protected. And we need to set up a process in order to be able to help properties and buildings achieve the funding that is necessary to maintain them through this century and even into the next century with a great deal of hope, Mr. Speaker.

There are some interesting sides though to the Bill, Mr. Speaker. It seems as though when this NDP government tries to do something for the province, they also have to try to do something for themselves. Mr. Speaker, we have a Bill here that looks at preserving historic properties in this province, but we also have a portion of the Bill that looks at preserving, Mr. Speaker, the NDP rank and file.

Mr. Speaker, why is it that every time a Bill is brought forward such as this — and there are good portions of this Bill that we certainly like — but it also talks about the province having to be an integral part, of having to be able to be the watchdog, so to speak, Mr. Speaker, of everything that happens in this province.

Now, Mr. Speaker, we understand very clearly that when something like this is set up, the province is trying to be able to put in place foundations that will help communities, that would help citizens to be able to take some initiative and be able to protect the properties, the historic properties, in their communities.

Now, Mr. Speaker, certainly in the area of the world that we live in, that yourself and myself live in, there's some properties there that, and some buildings, that were created many, many decades ago, some of them going back even into the 19th century.

Now, Mr. Speaker, being able to have an Act in place in this province, that would allow the citizens in this community where we live to be able to create a foundation, to do the fundraising that is appropriate, sounds like a great idea. And from this side of the House, we certainly have to support that kind of a concept. But somehow through this whole process, Mr. Speaker, this NDP government is talking about being an integral and reactive, so to speak, part of this whole process.

Now we've seen in the past, Bills that were presented, Mr. Speaker, especially in this session where the NDP government always has to talk about creating a new government department. They've created a new government department already that we have a great deal of amusement with on this side of the House, Mr. Speaker, that is the so-called Rural Revitalization department headed up by the member from Saskatoon Nutana.

The government is talking about bringing in a new Crown corporation, the so-called birthday party Crown corporation to look at a process that'll . . . Mr. Speaker, in order to have the government involved in a long-term plan, in order to be able to hire hacks and flacks, people who have not been able to get elected for the NDP, Mr. Speaker, to provide them with a job. And which is all we're really able to find from any of this.

Now we see with The Historic Properties Foundations Act, that the government is considering the very same thing again. But why is it, Mr. Speaker, that when something that has all the potential of providing a great deal of good in the province — and I say that with all sincerity, Mr. Speaker. This Bill, The Historic Properties Foundations Act, 2001, has all the potential to be able to provide to the citizens of Saskatchewan an opportunity — a historic opportunity, Mr. Speaker — that communities throughout the province, whether that be Prince Albert or Regina or Wilkie, the opportunity to be able to look after their communities, do the fundraising, create foundations

that will protect historic properties in their communities.

But what instead do we have, Mr. Speaker? We have a Bill coming forward that is talking about the government having to be an integral part of this. They have to be the driving force.

Well, Mr. Speaker, on this side of the House we believe that the people of this province are well equipped and well adapted to be able to work in their communities as long as they have just a few tools. They only need a few tools, Mr. Speaker.

Now a part of this Bill, this Historic Properties Foundations Act, 2001 provides them with some of those tools. The primary tool, of course, is the legalization of a foundation that would help communities to be able to set up a foundation to preserve historic properties. But, Mr. Speaker, that's really all they need.

They don't need any more than that. But what we see here in this Bill, Mr. Speaker, is another opportunity being taken by this NDP government to become far too involved in the day-to-day personal lives of the people of this province, become far too involved in the operation of communities in this province, and again far too involved in directing the lives of communities and people throughout this province.

So I think, Mr. Speaker, we need to take some time as we go through this Bill to be able to assess the necessity of some of the clauses of it. And I think it's very important that this NDP government maybe take some time to review everything that they're doing with this Bill. Is it really necessary for this NDP government to become so wholly involved in everything that this Bill is peripherally trying to accomplish?

(14:30)

Now, Mr. Speaker, certainly as we take a look at what the minister, the Provincial Secretary, is trying to do here, which it states very clearly in the first reading, makes it possible for the Lieutenant Governor in Council to establish foundations to receive gifts to the Crown, including corporate and individual gifts, bequests, donations, grants, for the purpose of preserving, developing, and enhancing historic properties in this province.

Now, Mr. Speaker, what could be, what could be better than that? This province of Saskatchewan having been well-developed since the 19th century; people being here for many, many decades trying to create a better way of life for our children, for their children, for us, for our . . . even so far as to take a look at our grandchildren.

Why is it so necessary, when we take a look at a Bill such as this, Mr. Speaker, that the government feels that they just can't bring a Bill forward that allows people of this province to preserve a large part of our history, to be able to have communities be given the tools that are necessary, that communities — such as many that I've mentioned before, Mr. Speaker — just be able to take the bull by the horn, so to speak, Mr. Speaker, that foundations can be set up. Foundations to receive corporate and individuals gifts, bequeath even, so to speak, Mr. Speaker, donations, grants, however that they may come about in a community so that a community and its citizenry can establish a foundation to preserve its history, preserve its historic sites.

Well, Mr. Speaker, from our perspective on this side of the House, we believe that this is magnanimous indeed. But why is it, Mr. Speaker, that when the government of this NDP government talks about creating opportunities such as this, they find it wholly necessary to become so particularly involved that I'm afraid, Mr. Speaker, that what is going to happen here is that because of their involvement, that some of the benefits that could be achieved are going to be lost. And so I believe at this time, Mr. Speaker, that we need to take a little more time with this Bill.

And I would ask at this time we now adjourn debate.

Debate adjourned.

### Bill No. 1

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 1 — The Partnership Amendment Act, 2001** be now read a second time.

**Mr. Heppner:** — Thank you, Mr. Speaker. The Partnership Amendment Act is one that I think has been in the works for a long time. I have no doubt that this particular government has had a lot of input over the last number of years — not just months, but years — by people who have asked to have some movement take place on partnerships and liabilities.

And what Bill No. 1 does, The Partnership Amendment Act, is it allows for limited liability partnerships. And what this essentially means is that one partner is not held personally financially responsible for the obligation of a partnership beyond their own actual financial . . . financial share in the partnership.

And I think this is very good, Mr. Speaker, because we have a lot of partnerships where you might have one person that has a lot of assets, another with smaller amount of assets, and they both put some of theirs into a new particular business or a partnership. And to have to have the one person be at risk for absolutely everything they have in that particular business isn't at all fair, it isn't at all equitable, and it doesn't make any financial sense whatsoever.

And so this particular Bill says that you can be held liable; your obligation is up to the amount of your actual financial share in that partnership.

The Saskatchewan Party, Mr. Speaker, does support the direction of Bill No. 1. We've had numerous contacts, as I'm sure the government has had, over the last number of years by various individuals and groups asking for some changes to take place in this particular area.

And so, essentially on the basis of the text it seems a fairly acceptable Bill. But we do have quite a number of things that we want to comment about as we go through this and possibly also need to do some more research.

What's interesting, Mr. Speaker, is that this is finally happening at a time when we've seen in Saskatchewan so many of our business people and professional people leaving the province.

It's a fact that comes up time and time again, and it's to the embarrassment of this particular government, Mr. Speaker, that the stats are such as they are. And those are stats that essentially indicate that people that are looking for opportunities too often leave our province. They too often leave our province.

And I think what indicates, or underlines that very well, Mr. Speaker, is that two other provinces in Canada already have this sort of legislation in place. Those two provinces, Mr. Speaker, are Alberta and Ontario, and we know very well that those two are definitely what we would call have provinces. They've been on the leading edge of innovation; they've been on the leading edge of attracting businesses and professionals to their provinces. And it's good that finally in Saskatchewan we're looking in that direction as well.

Since these two provinces are known to be somewhat friendlier to business and professions than Saskatchewan currently is, I think if we don't do this we'll see the exodus of professionals and businesses leaving our province at an ever-increasing rate.

And I think we need to look at something that just came out in the news a day or two ago, Mr. Speaker, because it gets us to the crux of the reasoning and the rationale for this piece of legislation. There was an item in the news — I believe it was the middle of last week, Mr. Speaker — that indicated that British Columbia is on the verge of becoming a have-not province.

Now that rather surprised me, and I think it surprised everybody else that heard that bit of an announcement, because traditionally in Canada we've said, well, there's Ontario, there's Alberta, there's British Columbia, and those three provinces, that's where the wealth of Canada lies in; they will continually remain have provinces putting money into the equalization fund and then provinces such as Saskatchewan will get it.

Now I guess it's fortunate that we get it, but it's highly unfortunate that we have to get those kinds of equalization payments, Mr. Speaker. I know we had the former Finance minister, the member, I believe, from Saskatoon Idylwyld making a statement at one time that it's good if Saskatchewan doesn't grow too fast because we'll lose this equalization fund.

It's a bit like a 15-year-old saying I hope I don't get my 16th birthday because I have so much fun having Mom drive me all over the countryside. It's that same kind of mentality. We shake our heads and say, can this be for real? That we would have a Finance minister in Saskatchewan say I hope our economy doesn't grow too fast because we wouldn't get any more equalization payments from Ottawa. It's bizarre.

So therefore we have British Columbia, which should most definitely be one of those three major have provinces. They've got all the oil and gas; they're literally awash in oil and gas in the northeast part of the province. They have forestry that we just admire when we go there. Mines. Tourism. On top of that, they're a seaport. And now they're about to become a have-not province.

I think, Mr. Speaker, that speaks to how successful the NDP are when they try to run a country, try to run a province. Who else, who else, Mr. Speaker, could take a province as wealthy as

British Columbia and drive it to the verge of being a have-not province?

Therefore when we see something like this take place, this piece of legislation, Mr. Speaker — and I'm sure that you're glad that we're staying on the topic — that when we see this piece of legislation, we understand that there's some validity in it, some validity in it. Because if we don't make some very serious and definite changes in Saskatchewan to turn this province around, we will remain a have-not province for a very long time.

Bill No. 17 is somewhat similar to this and I'll be speaking to that a little later on today as well, I believe.

It will affect probably — some of the key areas would be — dentists, lawyers and accountants have probably been the groups that have been most interested in this . . .

**The Speaker:** — Member, would ask you to confine your remarks to Bill No. 1, if you could, at this time and we will get to Bill No. 17.

**Mr. Heppner:** — As I said, there's a number of other pieces of legislation that are coming up.

This particular Bill, Bill No. 1, is one that relates specifically, as I just said, to dentists, lawyers, and accountants. Those people who are probably most often involved in partnership agreements with others of the same profession. And therefore, this Bill has some definite merit, because we've been approached by those groups, as I'm sure you have.

Those partnerships do things for our province that are good. We don't always have to have co-ops and pools and those sorts of things to bring things ahead. These individual partnerships are great.

Until now, members of a partnership have not been protected, Mr. Speaker, from personal or financial liability for the obligations of that partnership. Basically, anything they had and everything they had was totally at risk in that partnership, making that a totally unfair and unviable situation for many of them to become involved in partnerships. Having said that, that does not mean that there's going to be a major rush by all of these groups to form partnerships.

But there are those partnerships that would be very viable, would make Saskatchewan a better place for them to work in and would probably remove from them some of the ideas that they have from time to time, that they could probably go to another province, such as Ontario or Alberta and carry on their business in a viable partnership situation. So I think that's good.

This Bill No. 1 means that the actions of one partner, though separate and apart from all other partners in the firm, could impact on all the partners' personal liability. In other words, all involved ran the risk of personal financial ruin if the practice of only one of those partners put that into financial peril. If a financial obligation or judgment against a partnership outstripped the value of that partnership's assets, all partners could be held personally liable. I think that's one of the key things that's being addressed in Bill No. 1.

Those people who are involved in corporations have not been subject to the same unlimited liability, as have professional partnerships. So we have to keep in mind, Mr. Speaker, that there's definitely a difference between partnerships and corporations. Owners and managers in corporations have not been personally liable, but in partnerships they have been.

This Bill in general, Mr. Speaker, extends that protection to partnerships. It's an excellent move. I know, as I said earlier on, we've been addressed by various groups for quite some time to bring this about. We know government has as well.

Members of Saskatchewan Party caucus have met representatives, and I have personally, also, of the Law Society and the chartered accountants to discuss this issue, along with the professional incorporation on the subject of Bill No. 1.

This must be said, though, is not an unlimited shield. Sometimes people say, well as soon as you incorporate or you form an unlimited partnership, it means that these people are totally protected from any form of responsibility for their actions. This is not an unlimited shield either. The assets and financial interests of a partner has, in a partnership as a whole, will still be subject, Mr. Speaker, to obligations and judgments against one or more partners, but the amount of that will be limited.

Also, and I think this is important, Mr. Speaker, the public will have the right and ability to know when a limited liability partnership is in effect. And I think the Bill itself has a number of things that we should probably take a bit of a look at and discuss some of the key parts in it.

It limits, and it says very specifically there, restrictions on distribution of partnership properties. So essentially when a partnership is operating and the property is being distributed, this Bill very carefully makes sure that the public is not put at risk because of it. And I think that's good, but it also allows them to function in those sorts of ways.

It also has some very definite rules and directions on what takes place on the dissolution of a partnership. So individuals in a partnership cannot just jump out of that partnership and sort of hope that any responsibility that they have to actions that were taken place would then be negated.

And as I just mentioned earlier on, Mr. Speaker, there must be a partnership list so that the public is protected in being able to know and find out who the members are. And I'll just read that for members of the House:

A limited liability partnership shall keep at its registered office a list of the partners involved in the limited liability partnership and shall immediately provide the following information without charge to any person who requests it:

So very much the public is protected in this area. Also there must be periodic reports must be made by these limited partnerships.

(14:45)

While we understand the Bill is based on a model of legislation

developed by the Uniform Law Conference, we've done some research on it — I know the government side has done some research on it — we haven't completed our consultations. We want to do some more of that.

And therefore at this time, Mr. Speaker, I would move adjournment of that.

Debate adjourned.

### Bill No. 17

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 17 — The Professional Corporations Act** be now read a second time.

**Mr. Heppner:** — Thank you, Mr. Speaker. As I mentioned earlier on today, Bill No. 17 deals with some of the similar things but it deals with those areas with regards to professional corporations which is substantially different from partnerships.

Last year in this province, Mr. Speaker, some of these provisions were granted to doctors, and I think that's good. We'd hate to see how many doctors would have left our province, along with the ones that have already left and are considering leaving, if this hadn't been put into place last year.

So I think we need to look at these sorts of things to make Saskatchewan as business-friendly, as professional-friendly a place in Canada as we can possibly have it. We need to do that so that individuals that are at all considering coming to Saskatchewan to fill the positions in various professions will look at it and say, that province is a good place to work, it's a good place to be. Their laws are not the kinds of laws that hinder all sorts of actions.

And we do have lots of those laws in our province, Mr. Speaker, that essentially just seem to hinder business. I recall not long ago speaking with an individual who set up a new business in North Battleford, and having carried on a similar business in Alberta, came to Saskatchewan and found out that here he had two more pieces of red tape, two more applications he had to fill out — each one with a fee, one I think of \$500 and one of \$700 — to do exactly the same work he could do in Alberta without that red tape and without those costs, which by the way, Mr. Speaker, were yearly costs not just one-time fees.

So I think we need to look at that and make sure that Saskatchewan is as friendly to our professions as it can possibly be.

Bill No. 17, The Professional Corporations Act, moves a fair ways down that and it grants, as I said earlier on, those things that we granted to doctors last year. The right to incorporate — that's being granted now to accountants, to lawyers, and to dentists.

Our indication that, when we talked with some of these groups, to see what's happening in other provinces, it's not that as soon as this happens that every single accountant, lawyer, and dentist will then form a corporation. That's not the case. It would be of an advantage to only some, not to all. And the provinces whether they really have a legislation such as this, it's only a

fairly small percentage that makes use of it. But it's one of those things that we need to do in this province to make us as friendly to business and professions as we possibly can be.

The Saskatchewan Party, Mr. Speaker, is essentially supportive of the direction of this piece of legislation just as we were with the Bill last session — the one that granted the rights to incorporation of our doctors. Anything that we can do to make our province a good place to work, set up professional businesses is good.

With professional incorporation there are certain advantages that are granted — at last, I should say, Mr. Speaker, at last and finally to these professions — advantages such as the area of taxation, which has been a point of contention for many. And any time that we look at taxation in Saskatchewan we realize that it's one of those things that makes certain other parts of Canada and the United States more desirable. And we need to look at that. This Bill starts to move in that direction, and for that, we think it has some good . . . some good beginnings.

For too long this particular government and other governments before this particular one have ignored this congestion of important professions, and as a result, many have left Saskatchewan for greener pastures everywhere. So if a Bill like this stems a tide even in a small way, it's a valuable and important change. And as I said, in provinces where they already have this sort of legislation, they don't all jump on side. But it is valuable for certain ones and we need to make sure that that opportunity is given.

However, I'm sure this isn't going to stop the flow of professionals from this province. It didn't stop the total flow of doctors from this province. We've seen that since they've passed the legislation last year that gave the doctors the right to incorporate, we've still lost doctors, unfortunately. But we know that there are efforts being made to get new physicians into the province, and hopefully, that will make Saskatchewan look a slight bit greener as a pasture for that. And this should do the same thing.

Last year when we saw the incorporation of doctors, it was a move we wholeheartedly supported. While it's certain that some of the doctors that lobbied for it for years and was a positive step, this change isn't going to do it all.

But it's part of the creating an economic atmosphere in this province, an economic atmosphere that puts us on a competitive, and in some cases, even an equal playing field with other provinces, and I think that's important. It's part of the puzzle; it's not the whole thing, but it is one piece and it's here.

And unless this atmosphere of suspicion and resentment against those people in this province who are employers and entrepreneurs and professionals is abandoned by the more left-wing members of the government . . . And I guess we're a little concerned about that, Mr. Speaker, as we've looked over what's happened with this particular government as they move further toward the left, that some of the moves we've hoped in the past years . . . They seem to be a bit more business friendly. Now they're moving off to the left again.

And I can, I can . . . I'm afraid that the . . .

**The Speaker:** — I would ask the member from Lloydminster why is he on his feet?

**Mr. Wakefield:** — Mr. Speaker, with leave to introduce guests.

Leave granted.

#### INTRODUCTION OF GUESTS

**Mr. Wakefield:** — Thank you, Mr. Speaker. And thank you for a delay in the debate so I could introduce a good friend of mine, Vic Holt, his wife, Bev Holt, and daughter, Crystal. I must say that these are constituents in the Waseca area of my constituency.

Vic has taken the day to come down with Crystal, who is on the short list for an interview with the Lester Pearson institute for international studies. It's a very timely interview, especially during the seeding season, where Vic has a considerable amount of acreage to seed, and he has sacrificed that for his family.

So good luck to Crystal. And would you please welcome Vic, Bev, and Crystal Holt.

**Hon. Members:** Hear, hear!

#### ADJOURNED DEBATES

#### SECOND READINGS

##### Bill No. 17 — The Professional Corporations Act (continued)

**Mr. Heppner:** — Thank you, Mr. Speaker. I was just commenting on how this government seems to be moving rapidly to the left, and I think that's unfortunate. It's unfortunate because it's those sorts of things that are going to destroy this province.

I mentioned earlier on how British Columbia has just become a have-not province under an NDP government, an NDP government, Mr. Speaker, that was far left. But this government is moving about as far left as they can as well. Unfortunately, that leaves us behind with a left government.

Now having seen how much further left they've gone . . . And it's interesting, Mr. Speaker — you can hear them chirping away right now — that as soon as you talk about where they move politically, Mr. Speaker, they seem to be touchy about this. I don't know if they're ashamed of moving left. I thought they were socialists, Mr. Speaker. They should have been proud of it.

I mean, we're not proud of it, the province isn't proud of it, but as members of the government side presently, you'd think they would be. This particular Bill, Mr. Speaker, moves us one small step in making our province more competitive. Unfortunately, we would like to see 100 or 200 pieces of legislation like this, this year that would do that. This government seems to at this point coming up with half a dozen, a couple of dozen pieces of

legislation. This province needs a much bigger change than just a few small items of legislation to turn it around.

It's also important to point out, Mr. Speaker, as the minister did in introducing this, that the rights of the individuals seeking the services of professionals who opt for corporation . . . incorporation, do not change with this Act. It means a service will be as good, but it means hopefully that we'll have more people in this province to provide this service.

Section 16 points out, Mr. Speaker, the relationship between a professional corporation and a person who receives services from a professional corporation is subject to all the applicable laws relating to the confidential, ethical relationship that had been there before.

So people who use these services now from someone who's incorporated do not have to feel that somehow their privacy is at risk in any way, shape, or form.

I think it's also important to point out, Mr. Speaker, too often, thanks in large to the political philosophy of the members opposite, the very word incorporation sets off alarm bells because right away they're talking multinationals and they're afraid of something's going to jump out from underneath when they climb into bed at night, and grab them by the ankle and drag them down. It's this fear of business, it's this fear of incorporation, it's this fear of anything that isn't linked to unions and those sorts of things.

In reality, of course, corporation is simply a legal description, Mr. Speaker. But it's still important for the people to know that their rights do not change with this piece of legislation. The Saskatchewan Party strongly supports the general nature and direction of this piece of legislation.

We've spoken with individuals from these various professions. We need to speak to a few more and get some more detail and input on that area. And therefore, at this time, Mr. Speaker, I'll move adjournment of debate.

Debate adjourned.

#### SECOND READINGS

##### Bill No. 16 — The Film Employment Tax Credit Amendment Act, 2001

**Hon. Ms. Crofford:** — Thank you, Mr. Speaker. Mr. Speaker, Bill No. 16 amends The Film Employment Tax Credit Act. Following the implementation of the film and employment tax credit, the film and video community identified a concern that the sunset clause for the waiver of residency provisions contained in the Act would expire December 31, 2001.

Now, Mr. Speaker, the waiver of residency provisions allow a film production to claim wages paid to certain non-Saskatchewan personnel when calculating their tax credit. This provision requires that the non-Saskatchewan personnel may only be used when no qualified Saskatchewan resident is available. It's further required that the non-Saskatchewan personnel be hired expressly for the additional purpose of training a Saskatchewan resident.

So as you can see, Mr. Speaker, these provisions have allowed the industry to significantly speed the process of training Saskatchewan residents. The industry has made a compelling case for extending the sunset clause in order to allow for additional time to train Saskatchewan people.

So specifically, this Film Employment Tax Credit Amendment Act will extend the sunset clause for the waiver of residency provisions from December 31, 2001 to December 31, 2003. And this will allow the continued training of Saskatchewan's film crew and related professionals.

Mr. Speaker, the introduction of The Film Employment Tax Credit Act in 1998 greatly contributed to the growth of the film and video industry in Saskatchewan. And in 1997 the value of the film and video production in Saskatchewan was 26 million. In 1998, after the implementation of the Film Employment Tax Credit, film and video production increased to 58 million, and in 2000 production activity reached over 60 million. So this not only contributed to the economic growth of the province, but created employment in the industry, and continues to contribute to the cultural expression of Saskatchewan.

With the growth of this industry, we now find that many production companies are able to develop and produce larger and more expensive drama projects, often in co-operation with other Canadian or international companies through co-production agreements. And this evolution is positive from both a corporate and cultural perspective.

It enables the development of crew and personnel resources; it strengthens the companies. It helps to establish Saskatchewan's presence in the national and international marketplace.

The Film Employment Tax Credit will continue to enhance and strengthen the film and video industry in its ongoing growth and development. And the industry estimates that volumes could reach 100 million in production over the next several years. As well, at this production level, the industry would generate over 1,000 person years of direct employment and almost 2,000 person years of indirect employment.

We recognize that the Film Employment Tax Credit has been and will continue to be a critical element in the expansion of film and video industry infrastructure. And we do congratulate the industry on its growth and success and wish to offer it the province's continued support by introducing this amendment.

Mr. Speaker, the growing film and video industry has proven to be a benefit to the economic and cultural well-being of this province and I believe this amendment should be supported by all members of the legislation.

Mr. Speaker, I move second reading of this Bill, Bill No. 16, An Act amending The Film Employment Tax Credit.

**Some Hon. Members:** Hear, hear!

(15:00)

**Mr. McMorris:** — Thank you, Mr. Speaker. Mr. Speaker, it's a privilege to speak on this Bill again, The Film Employment Tax Credit Act. I remember last year in the House this going

through and speaking on it then, and I do want to speak a little bit more on it this year.

It's interesting that it has a sunset clause when it's working so well. I mean, it started in 1998 and, as the minister mentioned already, that the film industry has . . . I wasn't exactly catching all the numbers that she had mentioned at that time, but almost doubled in the three to four years — 37 million to over 60 million, I believe, and with a projection of up over 100 million if things work out over the next couple of years. And I really want to applaud the film industry and we think it's a great idea.

But I think the other issue that comes to play is that if it's working so well here, why don't you expand the whole idea of tax credit? I mean, it shows . . . We've been talking on decreasing taxes and a lot of people say well if you decrease taxes, you cut down revenue and it's going to go into deficit budgeting and all this. But that's not the point at all.

This is the exact proof, the very proof that by decreasing tax, it increases the business. And that's exactly what we have been talking about for many, many years — is that decreasing tax does not mean a reduction in revenue necessarily. By decreasing tax, by granting tax credit, it will in the long-term, over — and this has only taken 3 years to double the business — but in the long-term, we can see that we would attract more business, not just in the film industry — which this is targeted for which we applaud, we agree with — but there's so many other areas that we could look at this for.

Some members have mentioned agriculture. You know, we're struggling in agriculture. We're struggling in small business.

I remember last week looking on the front page of *The Leader-Post* of a business that was moving to Alberta. And the direct reasons . . . they named three reasons why they were moving to Alberta and they are all directly related to the government in power.

And, you know, just the idea of giving tax credits, giving tax breaks, decreasing the amount of tax some of these businesses are paying . . . We have said on this side of the House, for a couple of years now that we've been in place, that we need to reduce the small business tax, reduce it down to zero.

Now the government has taken steps, and I said this in my speech from . . . my reply to the budget speech, is that they're taking a small step, they're knocking it 2 per cent. And I would agree with that. It was all the other things that were in the budget that I couldn't agree with, okay.

So it's just the whole point of not being able to take the full step — that they have a hard time taking the full step.

And this is one area where we see the film industry increasing . . . there's many other concerns in the film industry. You know, we've heard lots of talk on the sound stage and some of the problems around that and how they need that to develop the industry even further.

But one of the reasons why we're even talking about a sound stage right now, one of the reasons why we're even talking about an increased film industry, is the simple fact of this



legislation.

And if you put that over so many other areas, how much business would increase. As I mention, small business whether it's in ag, whether it's in urban centres with small business, that's what we need to grow this province — we need more industry, more business in here.

The film industry is only one small sector. And we've talked different times about this government picking winners and losers. Well definitely the film industry is a winner here. And as I said we'd applaud that.

But it's just an example of what can be done in this province. If we increased . . . if the film industry has increased what they looked like, what they're saying perhaps in the next three or four years over an eight-year window, increasing by three times, just think if we could increase all businesses in this province — whether it's small business, large business, ag business — three times in the next eight years this province would be, as the member from Rosthern had talked earlier, a have province.

And we wouldn't have to worry about the arguments put forth from the other side: but if we become a have province we don't get all the federal money. That's a pretty sad excuse for not becoming a have province.

So, Mr. Speaker, we do want to consult with a number of people in the film industry because there are a number of other issues, this is only one of them, and get their feelings on this Bill. So for now I would like to adjourn debate on this Bill.

Debate adjourned.

#### **Bill No. 6 — The Planning and Development Amendment Act, 2001**

**Hon. Mr. Osika:** — Thank you, Mr. Speaker. Mr. Speaker, Bill No. 6 very basically amends The Planning and Development Act, 1983.

Mr. Speaker, this Bill introduces an amendment that will provide the Saskatchewan Municipal Board with broader discretion and flexibility in determining subdivision appeals. This amendment will allow subdivision appeals to be determined on the basis of whether the proposed subdivision first of all amounts to a relaxation of the provision of a zoning bylaw that would be contrary to its purposes and intent, or would injuriously affect the neighbouring properties rather than both conditions being required.

Mr. Speaker, the amendment proposed in this Bill is evidence of our commitment to maintain a flexible and fair legislative framework for land use management and development. Mr. Speaker, I believe that this amendment should be supported by all members of the legislature.

As a result, Mr. Speaker, I move second reading of Bill No. 6, The Planning and Development Amendment Act, 2001.

**Mr. Weekes:** — Thank you, Mr. Speaker. I'm glad to have the opportunity to speak to Bill No. 6, an Act to Amend The

Planning and Development Act. It is an interesting Act which does raise a few questions and which I'd like to go into some detail about right now.

And it's concerning will the Act, in the end, make it easier for subdivisions. And also will the changes to the Act, appeals process, have a desired affect according to what the Bill is intended.

Mr. Speaker, I'd like to point out that the concerns and the questions that the industry and business, and rural and urban people may have, concerning the effect of the Bill on the economy and property owners and potential property owners in this province.

And as we know that many of the concerns of small businesses and large businesses and people in this province, is the unnecessary red tape and regulation that exists in the province; and which has a negative effect on investment and the creation of jobs and growing Saskatchewan. And one wonders if this amendment is going to help in that area or will it be a hindrance in the end result.

When we talk about the economy of Saskatchewan, rural revitalization, and so on and so forth, the concern is to make it easier for businesses to start up in rural Saskatchewan. And I've had some experience in zoning and subdivisions in rural Saskatchewan. I know RMs have had to struggle with this issue quite a bit wherever there is a farmer, possibly a retired farmer, or someone who wants to subdivide a parcel of land to put a home on, or sell a subdivision to a neighbour or someone in town.

And one has to look at the effect that has on the rural areas when it concerns people that may be building a home near an existing and intensive livestock operation or a smaller livestock operation, and concerns about the pollutions, the possible pollution concerns and the odour.

And so the RMs have had to struggle with this issue for many years, and different RMs have approached it in different ways. But I'd like to just remind the minister to take that into account on any changes to two-zoning or subdivisions, specifically in the rural areas.

As I'd mentioned before, to subdivide a small area out to put a, possibly an urban person to move out into the rural areas, and what possible effect that has on the economy, and both positively and negatively.

And also if there is someone that subdivides a parcel of land, possibly puts up a business such as a mechanical repair shop, and how the RM has to deal with that, and tax that particular business in the RM.

And so before we go on I'd like to take this Bill back to the stakeholders, and the people that this may affect, and consult with them. And at this time I'd like to adjourn debate.

Debate adjourned

**COMMITTEE OF FINANCE**

**General Revenue Fund  
Municipal Affairs and Housing  
Vote 24**

**Subvote (MG01)**

**The Chair:** — Just before we get underway, I'd invite the minister if he wouldn't mind introducing his officials that are here with us this afternoon.

**Hon. Mr. Osika:** — Thank you, Mr. Chairman. To you and to all the members here this afternoon, I'd like to introduce, first of all, Mr. Brij Mathur, who's the acting deputy minister, seated to my left. Mr. Peter Hoffmann is sitting to my right in the second row; he's the assistant deputy minister of Housing.

John Edwards who is acting assistant deputy minister, municipal and community support services is immediately behind me. Lana Grosse who is executive director, protection and emergency services, again, behind me, one further seat up.

Larry Chaykowski who's executive director of finance, administration and facilities, to my left and one over. And Doug Morcom who's the director of grants and administrations, to my immediate right.

**Mr. Bjornerud:** — Thank you, Mr. Deputy Chair, and welcome to your officials, Mr. Minister. We have so many areas that we'd like to go into, Mr. Minister, that time being of what it is today that we probably won't get anywhere's near where we want to go. So sometime in August we may be able to wrap this thing up.

Mr. Minister, one of the concerns that I've got lately out of the government across that you're a part of now — and you may have got this before when you were in opposition, Mr. Minister — is that there's been so many changes in ministers in Municipal Government — and I've got this from SUMA members, I've got it from SARM (Saskatchewan Association of Rural Municipalities) members — that it's really hard to have any continuity in there.

Have you found that to be a problem now that you're . . . once again we have a new minister in that portfolio?

(15:15)

**Hon. Mr. Osika:** — Mr. Chairman, I thank the member for that question. I don't find it a problem. We have department officials that have maintained continuity, and I can understand when there are changes that people may perceive that there are problems but not if your department is operating on a continuous basis and the major focus for the objectives of the department are maintained.

**Mr. Bjornerud:** — Well thank you, Mr. Minister. Maybe you haven't had the luxury of being there long enough to have a number of these concerns brought, but I'm sure you will have them brought before you before long.

I'd like to go into the revenue sharing, Mr. Minister. And you've defended staunchly what the NDP government . . . NDP-Liberal government has done with the revenue sharing

this year in your budget.

Mr. Minister, since you've been in that position across there, and I know you've told us that that government's doing a lot for municipalities and I find that hard to believe, but did you have any input into this year's budget or was it the previous minister that — I believe the member for North Battleford actually — that would have sat at the table in discussing with cabinet who gets what dollars this year. Did you have any input into that, Mr. Minister?

**Hon. Mr. Osika:** — Mr. Chairman. Yes, I was involved in the cabinet finalization period for this budget.

**Mr. Bjornerud:** — Well, Mr. Deputy Chair, I wonder if the minister is disappointed like I am, and like every municipality in this province. We went through what we thought was going to be forced amalgamation last year and then that was dropped. A couple of years ago we went through the service district Act attempt to bring legislation in and that was dropped because of all the backlash that was out there with municipalities of all kinds — RMs, towns, villages, whatever.

Mr. Minister, I'm beginning to wonder if what's happening in municipal government this year with absolutely no increase to revenue sharing, does that have anything to do with a little bit of pay back because the municipalities wouldn't go along with amalgamation.

**Hon. Mr. Osika:** — Mr. Chairman, that has nothing whatsoever to do with it.

**Mr. Bjornerud:** — Well then, Mr. Minister, and Mr. Deputy Chair, I find it amazing that the minister can sit there and defend no increase in funding for municipalities. And you know, Mr. Deputy Chair, it's not one part of municipal government out there that's very unhappy with this government, it's every part.

We can go to the cities; you saw the press conference that, I believe, six or seven of the mayors had in the city here not long ago — very unhappy with no increase to revenue sharing. And they remember as well as every other municipality in this province, Mr. Minister, that since 1991 when this NDP government came to power that municipal government has been one of the main whipping boys that this government has found there.

In many situations out there municipalities have found that their revenue sharing at this point is probably down to a third of what it was in 1990-91 when the NDP replaced the Conservative government. I know we hear a lot of — from the members across — blaming Grant Devine and a lot more blaming the federal government, but at some point that government on that side has to take responsibility for what is happening in this province.

That government, Mr. Minister, Mr. Deputy Chair, has had 10 years. They've went through bad times. The member for Saskatoon was Finance minister and said everybody has to do their share to balance the budget. And we agreed with that — they do.

But now we've got our house in order, the budget has been balanced, we hear the members opposite say, what is it, five, six, seven years the budget is balanced, even though this year's not sustainable as the Minister of Finance alluded to in question period. But even having said that it's not sustainable, we're being told and we see the \$500 million go into the slush fund this year and things are great.

And we realize as well as you do that that's probably an election fund, not a slush fund for the people of Saskatchewan. That's probably a NDP/Liberal slush fund although I'm not sure how that'll quite work out, Mr. Minister, when the election's called.

But times are better now in the province and I guess what municipalities are asking . . . you saw in question period today, Mr. Minister, a number of communities out there saying we have these problems. The water advisory that we have in Battleford. We go to Humboldt; we're going to talk a little more about that in the near future. What do you reply to these municipalities? What are they supposed to do, Mr. Minister?

They have very few choices. They have the problem of funding cuts since '91. They've cleaned up their act out there. If it wasn't in order before, they've certainly got it in order. They made service delivery cuts. They've raised taxes because they've had no alternative. What do you say to these municipalities, Mr. Minister? How are they supposed to make ends meet and not raise taxes in the province of Saskatchewan?

**Hon. Mr. Osika:** — Mr. Chairman, although the revenue-sharing grants have not increased, there has been an increase in funding to municipalities through grants in lieu of and through infrastructure programs. There was also an increase in funding for Education, which the municipalities had asked for and this was in effect injected to those communities.

So although there has not been, Mr. Chairman, an increase in the actual revenue-sharing program, there have been increases in other areas with programs that were recognized as being very essential to the communities.

**Mr. Bjornerud:** — Thank you, Mr. Deputy Chair. Well, Mr. Minister, you say that these municipalities had asked for more money for education. And naturally they have, because again, this government switched the funding from 60/40 one way to 40/60 the other way. That was another form of downloading.

But unless your memory is real short, Mr. Minister, and Mr. Deputy Chair, I remember seeing a press release from SUMA, not long ago, I believe it was asking for what — \$20 million increase to revenue sharing. Here SUMA represents every city, every town, and every village in this province.

SARM has been another body out there that's been asking you for 20, \$30 million for the last . . . Well not you in particular, Mr. Minister, because you didn't have that portfolio at that time. In fact I believe, if I remember right, you were joined with me asking these questions, sitting on this side, to the members opposite. And how short and how quick times change.

But these people have been asking for more than just education money. They've been asking to replace some of the money that

that government removed. Is there anything in the short term or in the near future that's going to give these people out there that are running these municipalities any confidence that that government across — whether it be this year you're going to change your mind and put some money in, or next year — is there anything in the future that looks like you will, that government will ever put any more money into revenue sharing?

**Hon. Mr. Osika:** — Mr. Chairman, I can assure the member opposite that we will continue to work with municipalities and wherever possible to try and increase whatever funding may be necessary in either targeted areas or other areas.

With the initiation of the new budget process, I can assure the member that there will be efforts made to either increase the revenue-sharing grants or in fact ensure that we do continue to respond to specific needs and targeted programs.

In conjunction with the federal government on infrastructure programs as well as the municipalities, it is our intention to work with all the community to ensure that the needs of those communities and the citizens are met.

**Mr. Bjornerud:** — Thank you, Mr. Deputy Chair. Well, Mr. Minister, question period today alone was an example of some of the municipalities out there having problems.

Let's talk for a minute about Battleford, who I believe have a precautionary boil water in place out there right now. And they ask for infrastructure money, which you've said, oh there's all this infrastructure money out there. I think they requested, if my information is right, \$2.4 million for a reservoir, well expansion, and water treatment plant. And they definitely need it, Mr. Minister. I think you would agree with that when they have this problem sitting there right in front of them. And they were turned down instantly.

How do you go about deciding who gets infrastructure money and how . . . on what needs out there do you address this issue? Because, Mr. Minister, we're seeing some of these communities with . . . This has to be a very important issue in even your minds across there and yet we're not seeing it addressed in any way — no revenue sharing increases, no infrastructure money.

What are you saying to these people out there, Mr. Minister? Because these are tremendously expensive projects that they're going to have to undertake and they only have one place to do that and that's to pass on to the local taxpayer. Mr. Minister, are you not addressing these through infrastructure and, if you're not doing it there, are you going to help these municipalities in any way, shape, or form?

**Hon. Mr. Osika:** — Mr. Chairman, in response to the specific question with respect to Battleford's application for the CSIP (Canada-Saskatchewan Infrastructure Program) program, the town of Battleford's application for a water supply upgrading to increase the capacity of its water system, not for upgrading its water treatment, there was no health issue was identified in that particular application. That was one of the reasons.

The communities that identified a serious or existing or potential health problem with their water supplies were given

priority under that particular program. And, Mr. Chairman, the priorities are such that we're . . . they're identified as serious priorities, that's what's responded to.

So I just want to point out that all the funding available in 2001, okay, available through that particular Canada-Saskatchewan Infrastructure Program, has been allocated.

However if the town of Battleford has a serious ongoing problem with its water treatment infrastructure, it can apply for funding to try and correct that problem for next year.

**Mr. Bjornerud:** — Well thank you, Mr. Minister. And I guess the town of Battleford would be very interested in that answer but I would go one step further: how long will they have to wait, Mr. Minister? How long do they have to be in the situation with the water condition that they have out there? Could you take the initiative and say to them we will guarantee you some money out of that fund next year, now seeing that we've had this advisory precautionary boil water into effect out there?

If the town of Battleford came to you tomorrow and said look it, now you know that the problem is very serious, can you give them the assurance that they would get some money out of next year's infrastructure money? Then they could probably start to proceed with some of the projects that they have to do, whether with you or without you, I would presume.

But could you give them a reassurance that they would be guaranteed money out of that program next year?

**Hon. Mr. Osika:** — Mr. Chairman, I cannot give that assurance because it's the project committee review committees that have input as to what projects will, in fact, be approved and that includes SARM and SUMA on those committees, as well as the federal government.

So I cannot personally give any assurance that any one of those projects will be approved.

**Mr. Bjornerud:** — Well thank you, Mr. Deputy Chair. Mr. Minister, I'm very disappointed to hear that because we talk about the infrastructure money and I agree, it's a great program. But it's only a great program if it gets to those most in need. And I think it's probably turning into, possibly maybe it's turning into something like the Centenary Fund. We're playing politics with that one. There's no argument about that. We've got five million here, five million there, five million here, and all across.

And to me, all that looks like is it's turned into a political football. If you vote the right way, we'll give you a portion of, rather than turning around and just doing the right thing as a government and saying, here's \$30 million; we're going to put that money where it's best needed rather than playing politics with it.

I mean if your government, Mr. Minister — and you're part of that government; you have to take responsibility for that, you and the leader, so-called Leader of the Third Party — have to take responsibility for what's happening on that side, because without you two on that side, if you were sitting over here, we

wouldn't have to argue over things like this. We would say, look at this, the town of Battleford needs help. You know what would happen, Mr. Minister, if you were on that side over there with the member from North Battleford? We would say let's get some action for the town of Battleford.

I'll go one step further, Mr. Minister. If you and your so-called leader were on this side with the member from North Battleford, I'll bet you we would have an increase to revenue sharing and we would have it now — not next year, not 10 years — now, Mr. Minister.

**Some Hon. Members:** Hear, hear!

**Mr. Bjornerud:** — So I think you have to accept some of this responsibility. You can't sit back, Mr. Minister, and say we're doing everything we possibly can because we know you're not. If you really were serious about it, you'd be over here with us and vote the right way.

Mr. Minister, I'd like to talk about Humboldt. And here we go again, and you heard this today, Mr. Minister. And I want to . . . I'll give you the quotes again because these are sincere people that run local communities. And a quote from the commissioner in Humboldt and he says:

We're at the point where the safety and security of our homes and businesses have been compromised.

Mr. Minister, how can you sit there as a government when people out there are talking like this and justify no increase in revenue sharing?

**Hon. Mr. Osika:** — I'm just going to answer the last question, Mr. Chairman. The city of Humboldt will be getting \$160,000 more this year than it did last year.

But I just want to point out, I'm a little disappointed with the member opposite. He talks about politics, playing politics. Well that's certainly petty politics there, Mr. Chairman, because as you can well appreciate, I'm sure, when you have as massive a program and the demands, the major demands that exist throughout the province, there's a need to have a committee to review all these projects. There are something like 530 projects that were applied for. There was insufficient funds to respond to all those projects.

Let me just . . . the program management of the Federal/Provincial Management Committee is what it entails — one federal, one provincial member who co-Chair the committee. The program is project-based to ensure that the funding is strategically targeted to address federal and provincial priorities.

(15:30)

The Project Review Committee was established with representation from federal and provincial governments, as I pointed out, the Saskatchewan Urban Municipalities Association, the Saskatchewan Association of Rural Municipalities, and for northern projects, the Saskatchewan Association of Northern Communities. So these people are the ones that review and recommend approval or rejection of

municipal project proposals to the management committee for those decisions.

It is not taken lightly, Mr. Chairman, and when there is so much funding available and there are so many projects there needs to be a priority set on those projects. And rather than, as the member opposite has suggested, that it becomes a political game, it's not. It's a serious game where there's a lot of people have input to determine where the priorities lie.

**Mr. Bjornerud:** — Thank you, Mr. Deputy Chair. Well, Mr. Minister, it goes on and I think this next comment — I think you'll find near and dear to your heart, because this is also a quote, and yet they talk out there.

They say their RCMP staffing levels that are below recommended levels, they need to upgrade their fire equipment, their sewage treatment facilities must be expanded. And the infrastructure partnership program may only fund half of that, so they are saying that they've got some money but it's not anywhere near what they needed out there, Mr. Minister.

In response to that they've had no alternative but to raise their taxes 14 per cent. So, Mr. Minister, we saw last year in the 2000-2001 budget that that government brought forward, the first thing that they said in that budget — I remember that day well — they said we're going to have tax breaks for the public.

But then what did we see a day or two later as things started to come out and the smoke started to clear? It really wasn't a tax break because they expanded the PST (provincial sales tax), there was a bunch of hidden fees for permits for a number of areas. So in the end what did the people of Saskatchewan get? They got exactly what we thought they were going to get, was tax increases.

Now what do we see, Mr. Minister? 2001-2002 budget; we're told how wonderful it is, even though we know it's not sustainable and we can't keep going that way. What do we see as the smoke clears from this budget, this great budget that we were supposed to believe was so wonderful? We're seeing just about every municipality in this problem . . . or province, trying to find a way not to raise taxes . . . excuse me.

But in both cases, Mr. Minister, Mr. Deputy Chair, they can't do anything but raise taxes. The city of Regina are having a tremendous debate over how to hold the line on property taxes. It's a real dilemma, Mr. Minister.

Now we have said to you across, and you have said that this can't happen, but we've said instead of hiring 570 more government workers, why not take that \$30 million and give to municipalities? Had you have done that, made that a priority, the city of Regina, for one example, would not have to be in that situation, Mr. Minister. They wouldn't be going through this because their share of that would have helped them hold the line on taxes, solve their problem, and it would have done. Every other city in the province, every other town, every village, and every RM out there could have had an easier job trying to bring in this year's budget without raising taxes.

So, Mr. Minister, can you explain what these municipalities are supposed to do out there other than raise taxes? Explain to those

people today, when they're making their budgets up, what should they do? Cut services or raise taxes?

**Hon. Mr. Osika:** — Mr. Chairman, I appreciate the question from the member. When budget time comes along, there's only so much money and people recognize that. And they have to make some pretty tough decisions and make some calculated and informed decisions on how those precious dollars are going to be spent.

The fact still remains that the government, the coalition government, has continued to increase monies going to municipalities from year to year — whether it's through grants in lieu of, whether it's through infrastructure programs, and assistance of that nature.

Now the member opposite will be happy to hear that there are in fact no increases in those areas for permits and what he alluded to earlier in his question. So that's positive. The decrease in personal income taxes is a positive thing and that's been explained in the budget as well.

So there are those areas that in fact people with sitting down . . . And I respect very much and I admire the people who in public office have to make some of these tough decisions, and they make them. And as money becomes available they do whatever they possibly can to ensure that they don't have to reduce services, that they do their very best to maintain the quality of life for all the citizens that they represent.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Mr. Minister, one question, and I was trying to find it today. Can you tell me what the total municipal budget from that government in 1991 was and what the municipal budget for today is, this year, in this year's budget? Can you give those numbers? I'd like to see the comparison.

**Hon. Mr. Osika:** — Mr. Chairman, that covers quite an extensive period of time; it goes back quite a ways. We don't have that information here, but I'll be very happy to supply it to you.

You are asking specifically for the budget from 1991 for municipalities, the monies that were the revenue-sharing grants, and then compared to the total amount of monies that are going to municipalities in 2000 . . . 2001 rather? Is that correct, is that the way I understand . . .

**Mr. Bjornerud:** — Well, thank you, Mr. Minister, and Mr. Deputy Chair. I guess if you're going to that trouble, Mr. Minister, and you have to bring that information forward it would be really good if you could give us from '91 on each year, what the total funding for the municipalities of all kinds, and if you can break that down that would be great, for each year since that point, Mr. Minister. I think we would find that very interesting and very informative.

Mr. Minister, I think we need to go into a different area because I know this is a problem for yourself. And I get many calls on it, and I think every MLA (Member of the Legislative Assembly) probably in the legislature gets these calls, and it's on reassessment.

And I think we've heard a number of examples, Swift Current, for an example where taxes have climbed \$80,000 for a business. Some have talked about how their taxes have gone up \$20,000. We have the Hotels Association, I believe you may have just met with them or one department has. What is in the works, Mr. Minister, to start dealing with the problems we're having with this new reassessment this year?

**Hon. Mr. Osika:** — Mr. Chairman, to the member opposite, he will be aware perhaps that there is a review under way. I have met with the chairman of that independent body, SAMA (Saskatchewan Assessment Management Agency), and I've been told that there will be a review of the . . . in southwestern Saskatchewan of the assessment figures. And I will be notified of that.

I want to once again just point out that it is my intention to work closely on behalf of the agencies and people that have concerns to ensure that the processes and the concerns are addressed. I met with the community in southwestern Saskatchewan as well and listened to them. And that's what prompted my visiting with the president of SAMA, to address some of their concerns as well.

So all these things need to be worked out in a co-operative way, in an amicable way, as opposed to in an adversarial way to come to the solutions that we all would like to see.

**Mr. Bjornerud:** — Thank you, Mr. Deputy Chair. Thank you, Mr. Minister, and I sympathize with the situation we're in here because it's not an easy one to solve the problem.

Have you looked at all, Mr. Minister, and have you talked to SAMA about maybe going to an income-based set of rules, or a dollar value for rent . . . what that building would bring in for rent?

Are we looking already at some other form? Because what we're seeing right now, Mr. Minister, it's definitely not working out there. And I think we both would be very sympathetic to the problem if it were chasing businesses out of this province. I think it's our feeling that we've already chased a number of them with the high taxes in this province. We certainly don't want to chase any more businesses out, whether it be a motel, hotel, whatever kind of business out of there. Whether it be in rural Saskatchewan, urban Saskatchewan, wherever it is, we can't afford to lose these businesses. Because number one, they're good, solid, taxpaying citizens in this province.

And I think, I'm hoping, what you're answer's going to be that, yes, we are looking at this. In fact, we've already got to some point with, possibly an income-based, I don't know, I haven't seen the fine details of something like this. Could you maybe expand on that, Mr. Minister, and where we are with SAMA at this point?

**Hon. Mr. Osika:** — Thank you, Mr. Chairman, that is a good question, because it has . . . that issue has been raised. And there has been some work done in that direction, the income approach. However we have not received total consensus from the mayors on proceeding in that direction. And here again is another situation that I want to point out, that's it's not

something that will be imposed. It will . . . something that will come about as a result of a consensus from those people that will be affected by whatever legislation and direction we take.

**Mr. Bjornerud:** — Thank you, Mr. Deputy Chair, Mr. Minister. I may have missed part of your answer there. I'm sorry if I did. Are we though in the works here? Are we looking at that problem right now? Is SAMA looking at that problem? Because in the final outcome of all this, the government of the day is still responsible. I know SAMA has a board of directors and so on, from all the interested parties, but the government is still responsible.

And if there's an injustice happening in the province, we can't wait five years to deal with it, because some of these people that we're talking about from Val Marie, Swift Current . . . and it's happening all over the province as they start to see what their assessments are, their new assessments. Are we starting to deal with this and trying to deal with it in a very quick fashion out there? Or are we going to let . . . one of these things we're going to let drag for five years before we see any changes happen in the way SAMA is doing its job?

**Hon. Mr. Osika:** — Mr. Chairman, SAMA has in fact been looking at that approach. And the Department of Municipal Affairs has also been doing some work on drafting processes or procedures in that direction as well.

The most important thing is that the mayors have — some of the mayors — have told us to perhaps not go too quickly in that particular direction. And as I pointed out, it's consensus from those people that we are looking for before proceeding in the implementation of any legislation that will cause SAMA to go in the direction of the income approach.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Mr. Minister, SAMA itself, and I don't know if you do this, I guess my question: do you get complaints about SAMA themselves? Have you had complaints about SAMA from the public, from people with their assessments, whatever — do you get that kind of a response from people out there in the province?

**Hon. Mr. Osika:** — Mr. Chairman, in response to the member's question, when I was in the southwest, I did in fact hear some concerns expressed about the disparity in the valuations of similar type properties. So I have heard those concerns and I have addressed them with the president of SAMA. And as a result, there is a review being carried out. It's specifically from that particular area where I have personally heard those concerns.

**Mr. Bjornerud:** — Well thank you, Mr. Minister. Mr. Deputy Chair, I guess again the question goes to . . . And I understand you have said that the cities, some of the mayors are saying don't panic here; don't go flying off without knowing exactly what you're doing.

But that's fine. But the businesses that are sitting out there that cannot afford the increase in property taxes, such as we've talked about in Swift Current, Val Marie, and many other areas out there, Mr. Minister, whether it's a hotel, a motel, a restaurant, any kind of business out there that's being actually put under, because many in rural Saskatchewan right now —

and, Mr. Minister, you represent a rural constituency, you know what I'm talking about — many of these businesses, especially like small town Saskatchewan, where there's hotels out there, are finding the line between profit and going under a very slim line.

And if we come along all of a sudden and raise their assessment, whether by . . . because of the system that we have set up, it's too late once we've put them under. It's too late for the communities out there that have lost their hotel. It's too late for the communities that have lost their restaurant or grocery store or pool room — whatever it is, Mr. Minister.

And I'm sure you know what I'm saying because you represent yourself Ituna, Balcarres, a number of these smaller communities that one of the last things you have to lose out there is your hotel, your bar — they're providing a service out there. Many of them are providing meals out there when the restaurant closes. These places we cannot afford to lose, Mr. Minister.

So I would like to say — and I hope you share my concern for this — that yes, they're saying be cautious in how you change the rules. But on the other hand, we cannot sit back and not put some kind of formula in place that municipalities . . . And there's some in place I know already but it doesn't seem to be directed directly at this problem, to soften the blow so that these people can hang on until we get a new way of assessing these people.

And I just wonder, Mr. Minister — and I'll turn it over to the member from Moosomin who has some questions — but I just wonder if you share those concerns and if you're hoping what I'm saying here today that we can act maybe quicker than slower on this problem.

(15:45)

**Hon. Mr. Osika:** — Mr. Chairman, I can certainly assure the member that I do sympathize with those communities and the business communities. There is an appeal process in place for the businesses with respect to their evaluations, their assessments. There are tax tools that are offered to communities that they may apply to, to ease some of the hurt that the member's referring to.

So yes, I do sympathize. And perhaps as time goes on in a collaborative setting that these issues may be overcome.

The member opposite will remember 1997, some of the concerns that were expressed at that time that were overcome after reviews and re-evaluations, perhaps in some cases, and putting into use some of the tax tools that were available to ease the effects or the impact of the immediate assessment.

So those are there. And yes, I am sympathetic and will continue to work with those communities in their best interest.

**Mr. Bjornerud:** — Thank you, Mr. Deputy Chair. Mr. Minister, I just want to, before I sit down and let the member for Moosomin take over, I want to thank your officials and yourself today.

The only other question I had to do with this: is there a timeline on this? And you may have responded and I maybe missed it. Is there any kind of a timeline to say when we're going to get to the point of addressing these issues so maybe we can get some of these problems . . . on the changing of the way that we assess some of these businesses?

**Hon. Mr. Osika:** — Mr. Chairman, there are a couple of questions that the member is asking. On the review that's being carried out, I would hope that in the not-too-distant future — I can't give you a specific target date — but I know that they want to do their work diligently and come back with responses with respect to the review.

As far as the ongoing process is concerned, the reviews that are underway in that respect will hopefully be in place for the next assessment, the next time that it comes around for reassessment.

But in the meantime, it will . . . those problems will continue to be reviewed, looked at, discussed. And dealing with the income approach, hopefully, gain some support — unanimous support — at which point in time . . . We do not have that unanimous support to move in that direction as yet.

**Mr. Toth:** — Mr. Chair. Mr. Minister, and to your officials, I just want to follow up a bit on the assessments. And certainly the issue of hotels has come forward and many of the hoteliers around the province have indicated that they're going to see a substantial shift in the assessment on their property. And I think I just heard you talking about the fact where part of the component that might be looked at is the ability of a business to generate income.

Now we see, currently in this city, a couple of hotels that are facing labour problems with employees. And it would seem, Mr. Minister, that this is an industry that is totally dependent on the public, and rates will reflect their ability to recover their costs. And I think one of the problems that they're facing, like everyone else, is while their employees feel that they deserve more, they're pushed to the limit. And certainly the change in the assessment on their properties is going to affect their bottom line as well. And so I can appreciate the difficulties they may be having right now as they discuss labour issues with their employees.

But having said that, Mr. Minister, I want to go to an area that . . . trying to get some clarification on. When people appeal an assessment, and many cases they're trying to find out from SAMA exactly how their property was assessed, and we've talked personally about a couple of instances in my constituency and I'm sure, certainly in other areas, you've probably had the same question raised.

But what I found, Mr. Minister, is even talking with SAMA officials in our caucus we get . . . the term they use, the market adjustment factor, is an avenue that is used to determine or place a value on that property. And yet if an individual appeals or tries to appeal and they're laying out their appeal, they're trying to find out exactly how the assessment on their property was arrived at and they're told it's a market adjustment factor. But I haven't found anyone yet who has been able to get that factor from SAMA so that they can sit down and legitimately, when they're appealing their decision or the assessment factor,

put an appeal together.

And I'd like to know, Mr. Minister, exactly what the market adjustment factor is and how a business or an individual would gain access to that so that they can put a proper appeal together to certainly show the Appeal Committee that their assessment is . . . or their property is way overvalued?

**Hon. Mr. Osika:** — Mr. Chairman, to the hon. member, the businesses should know, should be aware of that market adjustment factor because it does vary from region to region and business people I know, in the southwestern communities that I spoke to, were aware of their market adjustment factor.

So I'm not sure if that answers your question. And I'm not aware of why they would not be familiar with the market adjustment factor for any particular region that they represent.

**Mr. Toth:** — Mr. Chair, thank you, Mr. Minister. Mr. Minister, coming directly to the one issue we related in the Moosomin area with the Pipestone Valley Agro Parts, that is one factor that it seems that the owner of this business still to this day has not received or been given the layout of how that process works and what the market adjustment factor would be. Like I believe what that person is looking for is exactly how have you arrived at this, and I'd like you to give me the formula or whatever so I can get a better understanding of how you've arrived at assessment, so that I can put my appeal together.

And I believe there are other businesses that are facing the same thing, certainly right in the area. I haven't raised them personally, they haven't come to me but they're certainly watching the one situation.

And what I'd like, Mr. Minister, and I believe a letter came to your office pointing this out, asking for the information as to how you get direct access to that and I'm wondering if you could give us a clarification on that, Mr. Minister.

**Hon. Mr. Osika:** — Well, Mr. Chairman, to the member opposite, I'm told that the gentleman you're referring to would have had or should have had access to that market adjustment factor from SAMA, and I'm disappointed if that information has not yet been transmitted to him.

But SAMA are the people that would offer up that information to an appellant during that process. And if that hasn't yet happened, if that market adjustment factor or the information has not yet been conveyed to him, I'll certainly be happy to follow up.

**Mr. Toth:** — Well thank you, Mr. Chair, and thank you, Mr. Minister. I believe just from recent consultations and certainly the gentleman has contacted your office as well and the suggestion of thought, I believe, was to go ahead with the appeal and then we'll . . . that information should be available. And we'll certainly follow up on it. And if it doesn't arrive, most likely they'll be bringing it to your attention as well. Because I believe . . . what do you have, about 30 days after you put your appeal in? I'm not exactly sure in order to then make . . . state your case to have that issue reviewed.

So, Mr. Minister, we'll certainly follow up and make sure that,

indeed, the information is available as has been suggested. And certainly I appreciate the opportunity to meet about two months ago on the . . . raising the issue and just asking for some of these factors.

I think, Mr. Minister, actually SAMA could save itself a lot of headache too, if they were . . . it seems that they're really hesitant to give people information as to how they arrive at their assessments. And all it does is it creates anger and confusion out there, and then the unfortunate part that you and I, as the elected officials representing our constituents, we're the first ones on . . . because we're the handiest ones and we're supposed to answer for the actions of bodies like SAMA.

And I think if it's imperative that we make sure that bodies like SAMA do disclose the avenues by which they arrive at assessments so that when people do raise their appeals, they know exactly what they're working with. The bottom line is . . . the black and white is very clear, and they can make their appeal, an appeal that is based on a fair argument because they've got all the questions or the answers in front of them . . . the information in front of them.

So, Mr. Minister, I think we need to pass that information to SAMA that they have to be a lot more open and upfront with any business or individual regarding the assessment that they may be appealing so that that person can then have a fair argument to present to the appeal board.

And having said . . . mentioned the appeal, I just want to point out one other thing. Mr. Minister, when it comes to appeals, and I've argued this on numerous occasions, I'm wondering if there should be another avenue of . . . the establishment of appeal boards. Usually that's someone from local government, and in fact, it would seem to me that . . . not necessarily being an arm's-length removal from the direct impact that it might have on local government. It may not really give what could be perceived as an unbiased opinion in the final decision.

And I'm wondering if your department, as well, Mr. Minister, is maybe looking at ways where we can remove the . . . or make the appeal look . . . the appeal process be more open and what would be perceived as more non-bias?

**Hon. Mr. Osika:** — Thank you, Mr. Chairman. I very much appreciate the line of questioning from the hon. member from Moosomin. I want to point out that I'm informed that the current rules in place require SAMA to produce in writing the information that an appellant would require.

And I'm also able to respond, Mr. Chairman, that we did have a discussion with respect to the appeals board earlier and there have been some changes made to that process. So your questions or the member's questions are extremely valid and the issues that the member raises are being addressed or have been addressed.

**Mr. Wall:** — Thank you, Mr. Chair of Committees. A follow-up question to the minister, if I may, as a result of the questioning from the member from Saltcoats.

You mentioned when questioned about the timeline for the review that SAMA is conducting as a result of some of the



concerns that have come forward, you mentioned something about the next assessment period as a possible timeline. And that would be of concern.

My understanding is, and I think the member outlined some of the concerns in my home city and other places very well, some hotel properties that are independently owned are seeing tax increases in the order of 70 to \$100,000 as a result of the assessment. That's increase in taxes, not increased in assessment. So their concerns are real and they're emergent — they're right now. They're all about the situation right now.

So when you indicate the timeline for the review, I wonder if you could expand on that. I think the understanding on the part of people in my constituency is that SAMA is looking at assessments in that area right now with the potential for, hopefully, a resolution in the near future, certainly not waiting until the next assessment period. Would you please confirm that, Mr. Minister?

**Hon. Mr. Osika:** — Thank you, Mr. Chairman. And I apologize to the members opposite if I created some confusion with respect to the review that is being undertaken by SAMA currently; it's underway and it will be reported back in the very near future.

The long-term review that I was referring to dealt with different approaches such as the income approach to future evaluations and assessments.

Mr. Chair, I move we report progress.

(16:00)

**General Revenue Fund  
Post-Secondary Education and Skills Training  
Vote 37**

**Subvote (PE01)**

**Hon. Mr. Hagel:** — Thank you, Chair. Two things before I do my best to respond to the questions from the hon. member from Last Mountain-Touchwood, I'd like to introduce an additional official who wasn't before the committee when we met last week, and it's Jim Benning who's seated at the back, and Mr. Benning is the president of the Saskatchewan Communications Network, SCN. I'm glad to have him here. And I also was able to . . .

**The Deputy Chair:** — Sorry. Would the minister please introduce all of his officials.

**Hon. Mr. Hagel:** — Okay. I'm not sure, this is off the top of my head . . . I recognize faces and I recognize names but I'm a bearcat when it comes to titles there, Mr. Chair. But the deputy minister to my left, Neil Yeates; and the assistant deputy minister to my right is Wayne McElree; and seated behind me, Lily Stonehouse; John Janzen, the executive director of student financial assistance branch; and Mae Boa, who is the executive director of finance and operations. Okay.

Is that okay now, Mr. Chair? Thanks.

And I would like to pass on, too, some information that the hon. member asked on Monday that we didn't have available here, regarding education of our Aboriginal peoples. And if I can just . . . These would be numbers that would be taken from the 1996 census, and so we would expect with the census this year that we will have some updated numbers in the not-too-distant future.

For the member's information, Mr. Chair, the Aboriginal population which has completed post-secondary education — now this is population 15 years and over, so not just those who are in the workforce, but 15 years and over — is 22 per cent; with some post-secondary education is 35 per cent; and those with at least grade 12 is 41 per cent. And I expect that that provides some information similar to the question that the hon. member asked.

We look forward to discussion and questions from the hon. member. Thanks, Mr. Chair.

**Mr. Hart:** — Mr. Chair, I'd like to welcome the minister and his officials here this afternoon and continue our discussion of estimates, pick it up where we left off last session.

I believe near the end of our last examination of estimates in Post-Secondary Education, I'd asked the minister to explain the increase in staff of 34 positions, and he indicated, if I understood him correctly, that there was 22 positions in information technology area of the department. And I was wondering what the other 12 positions, where will they be utilized or why are they necessary? And also, what is the total cost of the additional 34 positions that are being added to the department in this year's budget?

**Hon. Mr. Hagel:** — Thank you, Mr. Chair, and to the hon. member in response to his questions. First of all to respond to the last part of your question first, the net cost in the IT (information technology) area will actually be minus \$400,000. So the impact will be a saving of \$400,000 in total. And as I said the other day, that's good news, I think, for the operation of government and the taxpayers to be well served.

Of the positions themselves, 28 positions, including the 22 that you were referring to in your question, we'll convert existing secondments, terms, and contracts to permanent positions. So there's no new people; they're just being converted to a permanent position from something that wasn't previously that.

There will be 4.5 new positions that are new to the system, and they will be to manage student loan agreements and the administration of the student tax credit programs and the like.

And then there is also a 1.4 — and when I say a 4.5, 1.4, I'm talking about full-time equivalents, of course — 1.4 net positions which are transferred from Education, and that is in the area of payroll administration. As the hon. member may be aware those were previously done jointly and in the interests of effectiveness it was decided to do them separately, and so that's where that one position comes from.

**Mr. Hart:** — Thank you, Mr. Minister. I guess I have a couple of questions in response to your answer. The 1.5 full-time equivalents that were transferred from the Department of

Education to the Department of Post-Secondary Education, I'm not sure whether you can answer this or not, but was there an equivalent reduction in the Department of Education? If they are no longer providing that function for your department, in fact they are doing it in-house, would we see a corresponding decrease in that department?

And secondly, the 4.5 new positions that you indicated, to manage student loans and administer the tax credit, I wonder if we could have a breakdown as to how many people or what type of manpower is required to administer the tax credit, and are these people doing both or is there a division of responsibilities there? I wonder if you could address that.

**Hon. Mr. Hagel:** — Thanks, Mr. Chair. The response to the member's question, the 1.4 — it's not 1.5 — 1.4 position transferred from Education is a transfer. There would be a corresponding reduction in Education.

Of the 4.5 positions that I referred to, they're captured in five bodies, of course. And two of those employees are working specifically focussed on the graduate tax credit; one is with information technology assignment; one is a manager and one is clerical. And their duties are not . . . They're integrated with student financial assistance operations. So they are essentially to do with the loan agreements, administration, student tax credit programs, and other such initiatives.

**Mr. Hart:** — Mr. Chair, the minister, in the last consideration of estimates, indicated that near the end of last fiscal year there was an additional \$10.2 million in special warrants added to student financial assistance. And he indicated that this was more of the good news that we heard last time.

I would like to point out to the minister that his government saw fit to, by and large, confiscate students' millennium scholarships. In some provinces the students actually benefited from the millennium scholarship. But in this province the provincial bursary was reduced by the amount of the millennium scholarship. So in effect, basically the students are getting money . . . Money is being put into the bursary program that would more or less equate to the millennium scholarship.

And I just would like to ask the minister if that in fact will happen in this current fiscal year?

(16:15)

**Hon. Mr. Hagel:** — Mr. Chair, first of all, the amicable working relationship between the hon. member and myself appears to be a bit under strain with that question, but I recognize the context with which he asked it. I'll not for a second accept his use of the word funds being confiscated from students — not for a second would that be true. In fact, much the opposite.

There was a one-time assignment of funds to the benefit of students as a result of understandings with the millennium scholarship. And this was also in the context that the special bursaries program, which makes the Saskatchewan student loan program the most attractive, many would argue, in the nation, having been implemented the year in advance. But in that context it was requested to have permission to transfer some \$7

million to the universities directly, that was added to their base operating funds, and that has continued.

And so there would have been a direct impact for reduced tuitions for all students attending our two universities in that, in that school year.

**Mr. Hart:** — Mr. Chair, I listened intently and I . . . no where in the minister's answer did I hear any indication as to whether or not that additional funding will happen again in this current fiscal year. So I think I will ask the question again. Will there be an additional \$10 million in student aid in this current fiscal year?

**Hon. Mr. Hagel:** — Well, Mr. Chair, what I was meaning when I said that the money was included in the university's base operating grants, is that that was not a one-time infusion of funds to the universities which then didn't continue. So the answer is that the funding to the universities that was initiated as a result of those funds being directed, continues in the base operating grant. And therefore is part of what's before us in the estimates here today. It simply continues.

**Mr. Hart:** — Mr. Chair, from the minister's answer, perhaps either I am confused or he is, and I'm not sure which, and perhaps this question will clarify that. The minister said in the last session that there was \$10.2 million in the special warrant is being added to student financial assistance. Now do I take it from that statement that that money was added to the university-based operating grants? And that was my question. There was this one-time special warrant in the past fiscal year, if I understand the process correctly, and I'm asking will we see that again in this fiscal year?

**Hon. Mr. Hagel:** — Well, Mr. Chair, without attempting to respond directly to the question as to who's most confused, let's just simply say that we're both dedicated to finding the truth.

And, Mr. Chair, in that context I would simply want to explain that the \$10.2 million that went to the student financial assistance fund is there as a part of a pool of funds that are drawn from them to provide the student loans. It's administered separately from . . . There is a fund that is established for the direct purpose of having the funds available for the Saskatchewan student loans, and when those funds are depleted, they need to be replaced.

And what was done then in the special warrant is that there was an addition of \$10.2 million into that fund in the previous fiscal year that was made available by the unanticipated resource revenues. And that was seen as a good investment in the future and in our students — important access to funds from the Saskatchewan portion of their student loans.

**Mr. Hart:** — Mr. Chair, I would like to thank the minister for his answer. So then what I understand from his answer then is that this \$10.2 million was put into a student aid fund, which then is made available in the form of student loans and not bursaries or both? I'm not quite clear on that point.

**Hon. Mr. Hagel:** — Both.

**Mr. Hart:** — At this time, Mr. Chair, I would like to perhaps

look at a series of questions having to do with SIAST (Saskatchewan Institute of Applied Science and Technology). As we all know, SIAST plays a very important role in our province that provides the skills training and many other education and training services for students.

I understand that the current president of SIAST will be retiring or is resigning from the position. And I understand that there is a search process initiated for a new president. I wonder if the minister could update us as to timelines as far as searching for a new president and just where exactly he's at with searching for a new president?

**Hon. Mr. Hagel:** — First of all, Mr. Chair, I want to thank the hon. member for his question about SIAST and acknowledging the important place that SIAST has in the lives of many people in Saskatchewan.

What may be of interest . . . Just if I can take about 60 seconds to report some more good news actually to Saskatchewan people through the course of the estimates. If I remember the numbers correctly, and I don't want to statistic the House to death, but they are I think significant numbers and they are consistent over the last several years. But the most recent review of SIAST grads done six months after graduation — this would be the '99 grads — showed that within six months 91 per cent of the SIAST grads had gained employment, 83 per cent of them specifically in their field of training, and literally 95 per cent of them right here in Saskatchewan.

And so it, I think, can be said by all of us with some pride that SIAST is an institution that is serving the needs of our students and our economy well.

Now the leadership of the organization in the person of the president is currently under review. Dr. Knight's term will be expiring and I expect he'll be retiring. And the board of SIAST has formed a search committee which has engaged Executive Source to assist in the process of identifying people across the nation who may be appropriate to fill the president's chair.

The search committee of the board has now done its shortlisting and I'm advised will be doing some interviews in the next few short weeks. And I would expect some time this summer, depending on the circumstances of the successful candidate, that over the course of this summer the incoming president of SIAST will be announced.

**Mr. Hart:** — Thank you, Mr. Minister, for your answer. Again dealing with SIAST, I'm looking at a newspaper headline that says that SIAST staff ratified a new contract and it's dated March 13. I understand negotiations went ahead and the people at SIAST ratified a contract for three years.

I guess one of my questions would be to the minister: does this new contract contain within it a unified pay grid for instructors?

**Hon. Mr. Hagel:** — Mr. Chair, to the hon. member. As part of the collective agreement negotiations, an agreement was reached to provide a process to develop a pay equity framework and that is being worked on now. And the target for implementation of the pay equity framework would be July of 2003.

**Mr. Hart:** — I wonder, Mr. Chair, if the minister could expand on this pay equity framework. What does it entail? How will it affect instructors?

As he indicated, it will be implemented in July of 2003, which I believe would be the start of a new contract, if my math is correct. I know there are some serious concerns if a unified or pay equity program is the same as unified pay grid. I wonder if the minister would care to comment and expand on that.

**Hon. Mr. Hagel:** — Mr. Chair, I appreciate the help of my officials to bring me up to current status of the discussions that are going between management and union.

The process, and I think both are very clearly calling it the pay equity framework, is the process that they've agree that they're engaged in. There'd be two things that are necessary. First of all, a specific means by which jobs can be number one, evaluated, and then secondly, a payment framework.

They're a long way from achieving the end result on the pay equity framework that they're working on. But the thing that is, I think, clearly understood by both of the parties that are engaged in it is that this would be mutually negotiated and developed over a period of time.

**Mr. Hart:** — Mr. Chair, I wonder if the minister could perhaps give us some history as to how pay equity framework became part of the salary grid. Who first made the proposal? How long ago was this proposal first put forward? And why is it being looked at now? I understand this proposal has been put forward in the past and never was really taken or given much weight, and now it seems like it is being seriously considered.

**Hon. Mr. Hagel:** — Mr. Chair, to the hon. member, just to answer first of all the question: who initially proposed the unified pay grid? It would have come from the union some time ago. But it's really, they've moved away, I understand it in the discussions, they've moved away from that and are now finding themselves engaged in the discussions around a pay equity framework at SIAST for the in-scope staff.

Why is that happening? It occurs as a result, I think, of the influence of a government-wide initiative that has been going on in a number of fronts already, with the desire that our public employees would be receiving fair compensation based on equal pay for work of equal value and with the sense that that's a fair and just way to determine the specific payments that individuals will receive.

Just for the hon. member's information, the discussions that SIAST is having related to the in-scope positions will not be groundbreaking in the sense that there is not a lot of work in progress that has been made in that regard in a number of other fronts.

Government departments have already been implementing, working and implementing pay equity framework agreements. Regional colleges have in the post-secondary, so we have some experience there. Crown corporations have. The university administrative staff have done at both of our campuses here, and also SIAST administrative staff have got pay equity frameworks in place.

So I think there is a context of the desire to have fair remuneration based on the principle of equal pay for work of equal value. And the experience in these and a number of other fronts will probably serve to guide those discussions to try and make them meaningful.

**Mr. Hart:** — Mr. Chair, I wonder if the minister could perhaps differentiate between pay equity and a unified pay grid, because I know with the latter there are some very . . . there is quite a number of people have some very serious concerns. And I wonder if the minister could give us his definition of both pay equity and unified pay grid.

**Hon. Mr. Hagel:** — Mr. Chair, I may not be the most ideal person to ask this question because I'm not engaged in the business of collective bargaining, of course, and I'm not there. But as I understand it, the essence . . . (inaudible interjection) . . . Now the hon. member may have difficulty hearing because there's a little chirping coming from his left ear there, and it may very well be extremely difficult to ever please the hon. member to his left and up. But anyhow we won't go there, Mr. Chair.

As I understand the difference between what would be referred to as a unified pay grid and the pay equity framework would be described something like this. The unified pay grid would refer to a system where everybody is being paid the same amount whereas a pay equity framework would attempt to do two things: number one, engage in a job evaluation process to determine those factors that contribute to the value in the job itself; and then secondly an assignment to the position based on the points that that position commands, and those can range from . . . be influenced by responsibility, supervision, education that's required, and so on.

So as I understand it the circumstance at SIAST, the in-scope staff, is that they're moved to discussion about a pay equity framework where, as I said earlier, then the logical first step then is to engage in a fairly sophisticated kind of exercise where position by position then it's an attempt to define the values of that position so that you can assign the appropriate level of remuneration.

**Mr. Hart:** — Mr. Chair, I listened to the minister's explanation and I guess I would have to say that I have received a number of very serious concerns with some of these things. As the minister indicated, there needs to be a job evaluation, which granted that's true, and then of course establishing a set of remuneration for that position.

But I guess the question is . . . that's assuming that all people that fill this position — and particularly my remarks concern the instructors at SIAST — not all people are the same, not all instructors have the same qualifications, the same experience, the same levels of education.

How would the concerns of these instructors . . . And what incentives would there be if everyone is treated the same, if they're all doing the same job instructing classes, but yet one instructor has considerably more experience, considerably more education? How would that be handled? Or how would you handle the situation when you have a brand new instructor that is new on the job and that sort of thing?

I mean, there's some real serious concerns in that area. I would like the minister to respond to those concerns.

**Hon. Mr. Hagel:** — Mr. Chair, to the hon. member, the process that is involved is bringing into place a framework by which there is assessment of the knowledge, skills, and abilities that are required for a position. But from that, there . . . I mean, let me change that — not from that. That would be in the context of the . . . still again, we go back to the importance of the collective agreement and negotiations.

As the hon. member will be aware, it would be normal that there would be a pay grid and one of the things that's common with a pay grid would have to do with experience, for example. And so that it's certainly not for people like the hon. member and myself to come to conclusions here in the House.

But the decisions would be made at the appropriate place where you have management and the employees' representatives, the union, that are engaged. The discussion is about assessing the values of the positions, assigning remuneration, but all of that in the context of a grid which takes into consideration experience among other things.

**Mr. Hart:** — Mr. Chair, then from the minister's answer, I take it then levels of education, years of experience, and those sorts of things that instructors may have will be recognized, and that there will be incentives for instructors to improve their education and their skills. Did I understand the minister correctly when . . .

**Hon. Mr. Hagel:** — I think in all frankness that's not the kind of commitment that the minister is responsibly able to make in the House. That those are the kinds of conclusions that must be reached as a matter of or as a course of negotiations.

**Mr. Hart:** — Mr. Chair, I would urge the minister to use whatever influence he has to make sure that there are incentives for the instructors. And I realize that some of these things fall within collective bargainings and so on, and the reason I would urge the minister to make sure that instructors with certain levels of education and years of experience are rewarded for having those types of qualifications is in the interest of quality education.

If we end up having a job description and everybody gets paid the same regardless so long as they meet the minimum requirements, I mean that doesn't auger very well for quality education. And this is something I think we have to be very careful to guard against.

With that, I believe my colleague, the member from Cypress Hills has a few questions.

**Mr. Elhard:** — Thank you, Mr. Deputy Chairman. Mr. Minister, and your officials, I appreciate the opportunity to address some of the questions in front of me today, and I hope that you'll be able to answer them for me. I spent, in retrospect, I spent too long in post-secondary education. They were the most enjoyable years of my life, but they were too many of them.

But I have a special appreciation for post-secondary education

because of that, and I know the importance that institutions of those types play in our economies and in our social fabric.

And I'm deeply interested in the number of people who will take advantage of post-secondary education, in terms of the number of graduates that we might have from post-secondary schools of all types in the province. Can you give us the number of graduating students you're expecting for this year?

(16:45)

**Hon. Mr. Hagel:** — Mr. Chair, to the hon. member for Cypress Hills, I first of all share his enthusiasm of the importance of post-secondary education, and I would maybe just take slight issue with his statement. I don't know that it would be possible to spend too much time in post-secondary education, and I note that he said that somewhat facetiously or tongue-in-cheek.

Probably the easiest way to give you a reasonably accurate forecast would be the number of graduate tax credit receipts or certificates that were mailed out this year that would have gone out in February. And it was very, very close to 10,000 graduates from post-secondary in the year 2000.

**Mr. Elhard:** — Thank you, Mr. Minister. Mr. Chairman, to the minister again: the tax credit receipts that you mailed out, they're valued at \$350 apiece as I understand it, for this year's budget. And I'm wondering, I don't know if it was clarified anywhere or not, but is that tax credit available to all students regardless of whether or not they stay in the province of Saskatchewan?

**Hon. Mr. Hagel:** — No, a student has to file a Saskatchewan tax return in order to claim it, because it's a tax credit.

**Mr. Elhard:** — Can the minister tell me, if given that the data that you've got now, how many students you anticipate will stay in Saskatchewan out of the 10,000 expected graduates?

Or I'm sorry, you said you had 10,000 certificates sent out. Can you equate that to the number of graduates? Can you give us any percentage relationship between the number of statistic . . . I'm sorry, the number of people who graduated and the number of people who got the tax credit?

**Hon. Mr. Hagel:** — It's difficult to be precise when you're asking one to forecast, of course.

A piece of information that the hon. member may have not heard me refer to just a little bit earlier when the hon. member for Last Mountain-Touchwood raised the matter of SIASST, I was just describing there the most recent graduate survey of SIASST which probably serves as a good guide.

The most recent one done is 1999 grads and the results were very, very consistent with the two previous years that I'm familiar with. That told us that within six months of graduation from SIASST, 91 per cent of the graduates were working and 95 per cent of them working here in Saskatchewan and, if I remember correctly, I think 83 per cent of them working precisely in their field of training.

So that would give you an indication of the SIASST grads. The

data that we will be able to collect over a period of time, of course, from the take-up on the post-secondary graduate tax credit, will give us a much more accurate and measurable number in the future. But at this point in time it's difficult to be precise.

**Mr. Elhard:** — Thank you, Mr. Minister. The reason I'm going down this line of questioning is that given my opening statement, recognizing the importance of post-secondary education for the future of our province from an economic and a social perspective, I'm asking the effect of the \$350 tax credit.

In your view, is that a sufficient amount of tax credit to have people justify staying in Saskatchewan? The statistics you gave us of SIASST graduates are very encouraging. I'm not aware of any statistics at any other institution that would be quite that overwhelmingly positive.

And I refer to a situation that I'm aware of at the University of Saskatchewan. The civil engineering graduates from the University of Saskatchewan last year, I believe there were 17 in total, and out of that 17, I'm told that 11 of those graduates left the province. Several went to other provinces and quite a number actually went to the United States. So in view of that kind of evidence on the other side of the spectrum, I'm wondering whether \$350 in tax credit is enough to keep those very valuable students, those well-educated and expensive students, I might add, in the province of Saskatchewan?

**Hon. Mr. Hagel:** — Mr. Chair, again, the question the hon. member asks is difficult to answer with precision as he will understand. When any one of us makes our decisions about our future it'll be realistically for a combination of reasons. And I suppose among them for this young lad who grew up in Alberta and then went away to Manitoba to get my first . . . my degree, ended up coming to Saskatchewan. And that's not an uncommon story. We will have Saskatchewan graduates leaving our province, going to other provinces and other countries in the similar way that we will have in fact, other people coming from . . . or graduates coming from other provinces to Saskatchewan.

And I may just take a moment to fill the hon. member in on what is the most recent national survey to try to capture that. But before I do, just to put it into a context as well, it would be my view that in Saskatchewan we're not just training only Saskatchewan people. We're not just training Saskatchewanians. We're training Canadians. And we would want them to see that.

And it's partially in that context that it's really quite justified that, although education is a provincial jurisdiction, responsibility, that we do expect the federal government to contribute to post-secondary education, not just in Saskatchewan but across the nation.

And it's really in that context that one of the things that we're working hard at, all of the provinces together, is to have mobility for graduates and recognitions of credentials across the nation so that Canadians are able to be mobile and to have their credentials recognized across.

So we need to acknowledge, first of all, that Saskatchewan is

not an island and there aren't fences up at the border, nor would we want them to be.

But if I can just very, very quickly advise the hon. member, Mr. Chair, the most recent national survey and movement of grads was done by the Council of Ministers of Education of Canada, in concert with Statistics Canada. It's done about every decade and what they do is assess where graduates are at two years after completion of their studies. So in other words, after the dust kind of settles and they get themselves established.

So the most recent study in the nation was on graduates from the 1986 academic year, two years later, '88. And that study, to make a long story short — I can give you more detail if you wish — but to make a long story short, showed that we had four and a half percent more post-secondary graduates working in Saskatchewan than we had produced.

After all was said and done, Saskatchewan was a net importer of graduates. Now will that be the same every year? These will be influenced by many dynamics, of course, in the nation as we know them but certainly would give us reason to believe that when Saskatchewan is investing tax dollars in the post-secondary system in support of people who grew up here some, many, most, of course, we know will establish themselves here and make their careers here and be part of building the future of our province. Some will choose to leave. Others will choose to come.

And it's kind of interesting when I looked at where are they going to and where are they coming from, the answers are really both the same. Where are they going to? They're going to Alberta, BC (British Columbia), Manitoba and Ontario. Where are they coming from? They're coming from Alberta, BC, Manitoba and Ontario.

But the reality is that we live in a modern day economy in our nation in which there is a relatively higher, I think, level of mobility among graduates than there may have been when you and I first came out of our post-secondary studies and entered the workforce at that time.

**Mr. Krawetz:** — Thank you, Mr. Deputy Chair. Mr. Minister, I'd like to ask a couple of questions, as our time for closing is near, to allow us to prepare some research for the next time that Post-Secondary estimates are up.

If I could ask you to refer to the budget document on page no. 14 and 15 which are the schedule of lending and investing activities of the government. And on page 14 we talk about the receipts of government from loans. And on page 15 we talk about, of course, the disbursements that would be made by way of loan.

On page no. 14 there will be receipted income by this government of \$28.3 million. Now there's two questions there, Mr. Minister. Where is the \$28.3 million coming from? Is it from repayment of old loans or is it federal money?

And the second question — that seems to indicate that there's a new system of accounting because the previous year there was no money allocated in the way of receipts — could you indicate to the House what changes have occurred for that number?

**Hon. Mr. Hagel:** — Mr. Chair, I thank the hon. member for the question. As the hon. member may be aware, the student loan year begins on August 1. And he will be aware that we have a lending agreement with the Royal Bank which expires July 31.

And what this represents is the amount of student bursaries that will be paid out through our student loan system between August 1 and March 31. So this won't be for a full year because the estimates before us are on the fiscal year. And we will be going to — we talked about this in the last estimates — we're working on an integrated loan system together with the federal government where then those payments will be made directly by the province of Saskatchewan. So this is bursary amounts in the student loan, beginning August 1.

**Mr. Krawetz:** — And the second part of my question, Mr. Minister, why do we note the difference in that the blank . . . there is a blank number for the previous year?

**Hon. Mr. Hagel:** — You're asking about the 62 million 800 thousand. Then this is . . . right now in the . . . because we're still not at August 1, the money is being loaned by the Royal Bank. And these 62 million 800 thousand is the estimated amounts from August 1 to the end of March for student loans that the province of Saskatchewan will be directly loaning.

**Mr. Krawetz:** — Thank you very much for clarifying that, Mr. Minister. Now, Mr. Minister, as you've indicated, the contract will expire with Royal Bank and I was reading through your comments that you have in *Hansard* on April 23 regarding the negotiations that are underway.

I recall, Mr. Minister, that a lot of problems existed with not only student delinquencies but I guess bankruptcies would be the word to use, and the rates that were provided by post-secondary officials back a number of years ago showed that the incidence of declared bankruptcies on student loans was skyrocketing. I recall an estimate of 60-some bankruptcies one year, and then within a few years right after that it was up to 700-plus. And in the negotiations with Royal Bank, the Royal Bank in fact demanded or insisted on a bump-up to ensure that they could be compensated for those bankruptcies that would occur. And I think the minister understands that that was in existence.

Now if we're moving to a new program effective August 1 where Saskatchewan and Canada will technically be the lenders, the approvals, those officials that will approve them, what will happen when we start to look at those new loans four or five years from now? Who is going to be able to administer whether or not there's a bankruptcy?

(17:00)

And I recall the vice-president of Royal Bank saying very clearly that we want to establish a relationship, a client and business relationship, to ensure that we want to keep the client forever. I can recall her saying we want a loan for a car, we want a mortgage on the home, we want to be providing this business. So yes we know there will be a few that will declare bankruptcies but we'll have them as our client.

How will the government be able to control . . . You don't want

them as the lending client forever. And yet you will be the first lender as of August 1 for the new clients. What kind of a system are you thinking about in your negotiations with the federal government?

**Hon. Mr. Hagel:** — Mr. Chair, to the hon. member, he will be aware that really since the time that he's referring to, that the federal government has, by legislation, limited the ability of students to declare bankruptcy. And that appears to have very significantly influenced the outcomes as they relate to bankruptcies by students.

**The Deputy Chair:** — It now being past 5 p.m., this committee stands recessed until 7 p.m. this evening.

The Assembly recessed until 19:00.