

EVENING SITTING
COMMITTEE OF FINANCE

General Revenue Fund
Economic and Co-operative Development
Vote 45

The Chair: — Earlier today the Opposition House Leader raised a point of order with respect to an instruction made by the Assembly that the Committee of Finance reconsider a supply motion for Vote 45, Department of Economic and Co-operative Development. The supply resolution was defeated in the committee on Tuesday, June 26, 2001. It is the Opposition House Leader's argument that, I quote:

The committee cannot simply pass the exact same motion which has already been defeated.

I thank the member for supplying me with his speaking notes and for the intervention of other members on this point of order. As the member points out, the established practice of parliament is that, quote:

A question, being once made and carried in the affirmative or negative, cannot be questioned again, but must stand as a judgment of the House.

May, 22nd Edition, page 368.

It is clear that if this decision had been made in the House, the proposition of a negated question a second time would be out of order. The same would apply if the motion was initiated in the Committee of Finance. In this situation, however, there is an overriding factor which the Opposition House Leader has alluded to.

I will first address the motion as an instruction to the Committee of Finance. As the member for Moose Jaw North argued, indeed all committees are creatures of the Assembly and subjected to the Assembly's orders. The latest order of reference to the Committee of Finance, being the estimates and supplementary estimates, was made March 30, 2001. However as outlined in Beauchesne's 6th Edition, paragraph 831, subparagraph (3), quote:

When it has been thought desirable to do so, the House has enlarged the Order of Reference of a committee by means of an Instruction.

The House Leader's motion is made in terms of an instruction, which is proper. I don't think this is at dispute here. The Opposition House Leader did say in his point of order that, quote:

The government is perfectly within its rights to refer this matter back to the committee.

I will now address the propriety of the instruction itself.

When a committee makes a report to the Assembly, it is the prerogative of the Assembly to recommit any matter in that

report back to the committee with an instruction. The subject of recommitment of a report, with instruction, is addressed in paragraphs 896 through 899 of Beauchesne's, 6th Edition.

Moreover, in contrast to the Opposition House Leader's contention, it is not out of order for a committee to be instructed to overturn a decision made in the committee. I will cite a number of parliamentary authorities and precedents to illustrate this point.

It is not so unusual in parliaments, where legislation is commonly considered in standing committee, to have the House instruct a committee to overturn a decision. Erskine May, 22nd Edition, page 517 states:

On recommitment of a bill to the former standing committee, a permissive instruction has been given to the committee allowing it to insert in the bill provisions with a like effect to a clause to which it had previously disagreed.

A similar citation can be found on pages 706 and 707.

With respect to supply motions . . . pardon me. With respect to supply resolutions, May, 12th Edition, page 741 states as follows:

When the amount of a supply grant has been reduced in committee, and an alteration of that sum is sought, either by a complete or partial restoration of the original sum, the resolution is recommitted.

In the case before the Committee of Finance, the Assembly is ordering provisions previously disagreed to be reconsidered and that the vote be restored to its original sum. The motion is consistent with practice as outlined in various editions of Erskine May.

In Canada there are precedents directly relevant to the situation here in Saskatchewan as it concerns budgetary supply. The Opposition House Leader cited a 1986 case from British Columbia. He is correct. The British Columbia Committee of Supply amended a vote so that it was reduced to \$1. Subsequently, an order of the Assembly declared that the proceedings on the vote to have no force and the matter referred back to the Committee of Supply to be reconsidered.

The motion read as follows:

That this House does not concur in the report of the Committee of Supply with respect to Vote 70 and the proceedings therein are declared of no force and effect and Orders the said Vote be referred back to the Committee of Supply to be considered.

Consequently, the question was again put on vote 70, it being the same question that had been previously amended, but this time it passed without amendment and in its full amount.

I refer members to page 97 of the British Columbia *Votes and Proceedings* for June 17, 1986. Similarly, on June 29, 1994, a defeated supply vote was reinstated to its original amount by order of the Manitoba Legislative Assembly. In this case,

reconsideration of the question was not permitted by the Committee of Supply and its vote simply overturned.

In another precedent, on May 11, 1989, the Quebec National Assembly ordered reinstatement of estimates of the inspector general of financial institutions which had been negated in committee. The National Assembly then took action to forestall any future consequences of the reduction or the defeat of estimates in committee by creating a standing order to permit a minister to amend any committee report that reduced or negated a budgetary estimate. The House of Commons in Ottawa has also adopted a standing order that more easily enables any estimate to be restored or reinstated.

The examples from the parliamentary authorities and from other legislative assemblies demonstrate that the situation the Committee of Finance finds itself in is not unique and the measures taken by the government not unprecedented. I find that the House does have final authority over decisions made in its committees even if it means the committee re-voting the same question. The same-question rule does not apply as an overriding factor in the case of a House giving one of its committees an instruction, as is illustrated in practice and precedent of other parliaments.

I find the point of order not well taken and the committee must re-vote the question on vote 45, Department of Economic Development and Co-operative Development as ordered by the House.

Vote 45 agreed to on division.

Some Hon. Members: Hear, hear!

**General Revenue Fund
Lending and Investing Activities
Economic and Co-operative Development
Vote 167**

The Chair: — Order. Order. Would the Minister of Finance please remove his officials while we conclude the Department of Economic and Co-operative Development.

I would invite the minister to introduce his officials.

Hon. Mr. Lautermilch: — Thank you, Mr. Chairman. I have to my right Larry Spanner, the deputy minister of Economic Development. To my left, Doreen Yurkoski, director of administrative and financial services. Immediately behind me is Jim Marshall, the assistant deputy minister of policy; and to his right is Bryon Burnett, assistant deputy minister of community economic and business development.

Vote 167 agreed to.

**Supplementary Estimates 2000-01
General Revenue Fund
Economic and Co-operative Development
Vote 45**

The Chair: — Order. Order. Would the committee please come to order. Thank you. Order. Thank you.

Subvote (EC07) (EC09) agreed to.

Vote 45 agreed to.

(19:15)

**General Revenue Fund
Finance
Vote 18**

Subvote (FI01)

The Chair: — Before we begin I'd invite the Minister of Finance to introduce his officials.

Hon. Mr. Cline: — Thank you, Mr. Chair. With me here this evening to my left is Mr. Kirk McGregor, who is the acting deputy minister of Finance. To his left is Mr. Chris Bayda, who is the executive director of financial management of the provincial comptroller's division. Behind Mr. Bayda is Ms. Joanne Brockman, who is the executive director of economic and fiscal policy in the Department of Finance.

Behind Mr. McGregor is Mr. Bill Van Sickle, who is the executive director of corporate services division in the Department of Finance. Behind me is Mr. Glen Veikle, the assistant deputy minister of the treasury board branch of the Department of Finance. To my right is Mr. Len Rog, who is the assistant deputy minister in the revenue division of the Department of Finance. And sitting behind Mr. Rog is Mr. Dennis Polowyk, who is the assistant deputy minister of the treasury and debt management division of the Department of Finance.

Mr. Krawetz: — Thank you very much, Mr. Chair. And, Mr. Minister, welcome to all of your officials this evening.

A few areas that we need to touch on this evening, Mr. Minister, and a couple of other questions I believe from a couple of my colleagues as well tonight, sir.

Mr. Minister, under vote (F04) there is . . . sorry, (F03), the Provincial Comptroller, there is a huge increase in the amount of money. And we've had a bit of a discussion about this, Mr. Minister, from 5 million to \$10 million. Could you explain to the people of Saskatchewan and to the House exactly what you expect that the huge increase in that budget will produce in terms of the work that you see happening throughout the fiscal year that we're in, Mr. Minister.

Hon. Mr. Cline: — Yes. Actually, Mr. Chair, I believe we discussed this one other day in estimates but I'm happy to talk about it again. It has to do with one-time expenditures of \$6 million for replacement of the government's quite dated central financial systems.

And in particular we're going to consolidate payroll into the Department of Finance, thereby saving money in future years across government. We're making a one-time investment to centralize payroll. This will save some millions of dollars each and every year in the future. And that's the reason for this year's increase in the budget for the Provincial Comptroller's division.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, as you are aware, the Provincial Auditor in his spring report has indicated that there are a number of concerns with the Public Trustee and the computer programming equipment that was put in place there.

Mr. Minister, in Public Accounts questions were asked as to whether or not your department, through the Provincial Comptroller's office, is looking at broadening the introduction of computer equipment and the introduction of new software programs to ensure that all departments are coordinated, from your point of view as Finance minister, to ensure that the kind of thing that the Provincial Auditor is being recognized.

And I think the Provincial Auditor indicated that there was need for, if you like, there was need for a supervisor to ensure that the game plan and all of the things that were being put in place by the Public Trustee's office were indeed supervised by somebody to ensure that they were on time and that they were going to meet their objectives. And you've indicated, Mr. Minister, that the budget of the Comptroller's office is being enlarged to ensure that certain other things like payroll and those kinds of things are met.

Has your department given any consideration to ensuring that, as departments restructure and reorganize to ensure that new software programs are put in place, that there is someone that is overseeing all of the departments to ensure that the kind of message and the kind of delivery system that you would like to see put in place is indeed going to be the outcome?

Hon. Mr. Cline: — Yes, Mr. Chair, that is indeed a concern of the Department of Finance and that is why we're very glad that in the last few years the government has actually created the information technology office to co-ordinate the acquisition and organization of information technology across government. So what the member is concerned about, which is a very legitimate concern, is a concern that we share and a concern that has been acted upon through the creation of the information technology office whose mandate it is to do just what the member says, and we're glad to agree with the member that it's good to have that co-ordinated approach through the information technology office.

Mr. Krawetz: — Thank you very much, Mr. Minister. I'm glad to see that that's happening.

Mr. Minister, I thank you for submitting the information that I requested back on May 16 where you indicated the various amounts that you as the Finance minister have received from the federal government. You've indicated, of course, that the sum of money that you have indicated for this budget is \$136.8 million. Since your budget and the plan that shows that amount of money, have there been any other agreements with the federal government that will produce or allow for additional transfers of money from the federal government to the provincial treasury?

Hon. Mr. Cline: — Unfortunately none that I'm aware of, Mr. Chair. But if there are any small agreements between departments and the federal government that I'm not aware of, certainly we'll let the opposition know. But in terms of any big money or substantive transfers from the federal government to

us, we would certainly welcome that, but none have occurred since the budget.

Mr. Krawetz: — Mr. Minister, a concern that has been expressed by a number of individuals and municipalities is the property tax rebate, the education portion of property tax rebate that has been going on. Your budget indicates a sum of \$25 million that will be rebated back to individuals who make application. There was a suggestion made to you, Mr. Minister, that there would be need to consider possibly eliminating some of the bureaucracy in eliminating time delay to have that administered through the local RM (rural municipality) offices. The RM administrators could be doing that program on a weekly basis and then submitting a request to your Finance department for the rebates that they would already have credited to various farmers.

Mr. Minister, are you giving any indication as to whether or not you're considering that for the next year?

Hon. Mr. Cline: — I'm advised by the officials, Mr. Chair, that this is a program that is administered by Agriculture and Food. However, there has been some consideration of whether it could be more cost-effectively delivered through the rural municipalities. The conclusion reached was that the most cost-effective way to administer the program was through the Department of Agriculture and Food.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, one final area that I'd like to have your answers to is in the area of Crown debt. Mr. Minister, as Crown corporations expend money and actually go into debt, do they seek . . . does the Minister Responsible for Crown Investments Corporations . . . is that done co-operatively with you?

Hon. Mr. Cline: — Ultimately, Mr. Chair, any borrowing by a Crown, whether Crown Investments Corporation Crown or a Treasury Board Crown, must be approved by the Lieutenant Governor in Council. So the Minister of Finance would play a role either as Chair of Treasury Board or at present a member of the Crown Investments Corporation Board, and ultimately discussing the recommendation at the cabinet table because the cabinet would have to make the final decision and approve the borrowing.

Mr. Krawetz: — Mr. Minister, for a number of years the Provincial Auditor has been putting out his report that shows the government debt and the total of government debt that would include not only the GRF (General Revenue Fund) of Crown debt, as well as unfunded pension liability. And that number has been hovering around that \$19 billion mark, in total, Mr. Minister.

Do you agree with that number that the Provincial Auditor has put forward for this last report?

Hon. Mr. Cline: — Well as I've indicated to the member opposite before in committee, Mr. Chair, there are different ways of looking at debt. And in fact, whether you're talking to the Provincial Auditor, the bond rating agencies, the Provincial Comptroller, it depends what you're including as debt.

The figure that the member cites that the Provincial Auditor for

one purpose uses, certainly I wouldn't disagree with it. But as I pointed out before, it would include the current liabilities of the province as well as the unfunded pension liability. There are various components to debt and we always have to be comparing apples to apples when we're looking at questions of debt.

Certainly in anticipation of another question that may arise from the member, I can tell you that the debt of the province is going down; has been going down for several years. And nobody has to take my word for that, Mr. Chair, because the simple reality is that we have received five credit rating upgrades in the last three years.

And I can tell you that what the credit rating agencies look at — and they're not easy to deal with, Mr. Chair — is primarily whether your debt is going down. And our credit rating has returned to a straight A rating because our debt is going down.

Having said that, I don't disagree with the Provincial Auditor. If you include the unfunded pension liability, the current liabilities, and the long-term debt of the province, then you would get probably a figure of \$19 billion. The figure would certainly have been higher in the past. The main point is the long-term debt of the province is being paid off. That's being recognized by the credit rating agencies and we're getting credit rating upgrades because we're paying off our debt in a gradual and reasonable way.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, the Crown debt of about a year ago or two years ago was just over the \$3 billion mark. And your estimates indicate that by the year 2004, I believe, you're going to rise to about 3.7. So you're looking at about a half a billion dollar increase in Crown debt.

And I know you've indicated before that you see some development projects going on in SaskPower and the like. Does the fact that the Crown debt . . . or the debt of the whole province is going to rise by the year 2004, does that concern you?

Hon. Mr. Cline: — I want to be very clear, Mr. Chair, and I've made this clear in the House actually on several occasions during this session, that I think there are different kinds of debt. And I think some debt is good debt, some debt is bad debt. I mean I suppose no debt at all would be the best situation, but I would explain it this way. When you need a car or when you need a house, I mean we don't expect that we will go out and pay cash for a house. We expect because that's a valuable asset that will increase in value over time, it's reasonable to borrow money to buy that house because that house will serve you not only today but hopefully many years to come.

(19:30)

On the other hand, if you go into big debt just to go on a holiday, buy new clothes, day-to-day living expenses that is going to benefit you just today but not in the future, that's not so good. It's like the difference between if we have a \$60,000 mortgage we think that's reasonable. If we had a \$60,000 Visa bill we'd say that's not reasonable.

And similarly when we look at government debt in the Crown

corporations . . . SaskPower for example needs to put up power poles, power lines, build another power generating station perhaps. They're increasing their generating capacity at the Cory Potash Mine, at the Queen Elizabeth power station. Perhaps they'll build Shand 2 in the future to generate more power.

My argument would be that if SaskPower wants to do that, they should be allowed to borrow the money, have a mortgage against what is a very real and valuable asset, and it's okay for us to pay for that today but to amortize it over 20 years for example because we will benefit from that, but so will people in the future.

So I would say this, that the Crown corporations should rebuild their infrastructure whether it's SaskPower, SaskTel, or otherwise; SaskEnergy taking natural gas into the North and so on. It is not reasonable to say to the people of the province that we should raise their taxes today to pay all the cost of doing that today. It's reasonable for the Crown corporations to borrow some money as long as the industry standard is met which says that the debt/equity ratio for that company is within reasonable industry standards.

So in answer to the question, do I believe that the Crown corporations should be allowed to borrow to improve their infrastructure and serve the people of the province, yes I do, as long as their debt/equity ratio is reasonable. And I might add that when this government came to office in 1991 their debt/equity ratio was not reasonable. I don't remember the exact numbers, but they may have had 90 per cent debt and 10 per cent equity. Now they are within what the credit rating agencies in the private sector would consider to be reasonable.

So let us not burden the taxpayers with saying you have to pay increased sales tax or income tax to give the Crown corporations the money that they need to build their infrastructure.

On the other hand, there is tax-supported debt. That's the debt that we have built up over years — this government has not, but inherited the debt — simply to carry on the day-to-day operations of government. That debt should not be increased. That debt should be decreased over time and that's what we're doing.

I would draw a distinction between — in that regard — between debt that was acquired or created to build infrastructure, and debt that was taken on simply to pay for, let's say, the operations of the health system today. So that for example, if we wanted to build a school or a health care centre, I think it might be reasonable to go into debt, amortize that over 20 years. If we want to simply have money to spend on the health care system or Social Services or to pay the teachers this year in Education, we shouldn't go into debt to do that.

So, sorry to be so long-winded but my answer is if we're building for tomorrow as well as today, it's okay to finance that in the same way that a reasonable family would do so if they wanted to buy a house or build an addition on their house or buy a cabin at the lake. If we're just going on a holiday, we ought not to borrow money for that.

And I'm quite prepared to defend my position to the opposition and say there are some circumstances where it's reasonable for the public sector to take on debt as long as you're getting value for that debt. And there are circumstances where it's not reasonable to go into debt, and that's the position of this government.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — That was long-winded but I guess it deserved an applause from your colleagues, Mr. Minister.

Mr. Minister, last year one of your estimates indicated that you were going to transfer \$150 million from CIC as a dividend to the GRF to ensure that you had a balanced budget. At the end of the year you didn't because you've indicated that there was a windfall in oil and gas royalties.

Mr. Minister, same type of projection for this year: you will transfer \$200 million from CIC. My question to you, Mr. Minister: if indeed the price of oil and the price of gas stays up at the higher level — a little bit higher than your estimates right now for your budget — and you find by the end of the year that you will not require that \$200 million to have a balanced budget, will you, in that fashion . . . Because the \$200 million will be left in CIC (Crown Investments Corporation of Saskatchewan), will there be a reduction of debt at the CIC level by 200 million because they will have kept \$200 million in their bank account?

Hon. Mr. Cline: — In answer to the question, no I would not see . . . Well I should say first of all that of course it's a hypothetical question, but I have to say to the member that I don't believe that we will be in a position whereby we would be able to forgo the dividend from CIC. However the question is premised on if we were in that position would that be applied toward CIC debt. The answer is no, because CIC debt is not that large, therefore, it would go into retained earnings of CIC in that event.

But having said that, I think I would tend to want to, if we were in that position, look at using some of that kind of resource to reduce debt perhaps on the General Revenue Fund side. But it's a very speculative question and I don't think that situation is likely to arise.

Mr. Krawetz: — Thank you, Mr. Minister. One final question and I want to take you back to the sheet that you provided of the federal/provincial programs and the transfers of money.

Mr. Minister, we've noticed . . . one of my colleagues has noticed of course that in the early childhood development program that has been instituted in Education, Health, and I believe Social Services — those are the three areas — that there are expenditures of monies that is taking place in each of those areas. There is a joint program between the federal government and the provincial government to fund those . . . that type of program. I don't notice it in the column, and would you please clarify that as to where we would find the transfer of federal dollars for the early childhood education program.

Hon. Mr. Cline: — Yes, Mr. Chair, that money is included in the Canada Health and Social Transfer, the CHST, which is the

transfer payment that comes from Ottawa.

Mr. D'Autremont: — Thank you, Mr. Chairman, Mr. Minister, and officials. I believe as of January 1 of this year, the procedures dealing with bulk fuel and taxation on those fuels, gasoline, changed. There was no longer a cap in place on what would be rebated on bulk fuel. In fact, bulk fuel purchased at dealers was exempted for those people who have a tax-free status, that they didn't have to pay the tax up front as was the case previously, continued to be the case, but that it applied to all bulk gasoline that was purchased that way for those with tax-free status. Is that correct?

Hon. Mr. Cline: — Yes, that's essentially correct, Mr. Chair, with this minor modification. It was January 1, 2000 that the cap was removed, and then January 1, 2001 that the provision was brought in that you didn't have to pay the tax up front. In the first year of operation after the cap was removed, you had to pay the tax and then still get it back, but there was no cap on how much you could get back.

But last year at this time, I did tell the members of the opposition and the House that we would try to find a way through the revenue division that the producer could go to the bulk fuel station and purchase the fuel without paying the tax in the first place. And indeed we did, you know, bring about that change which is, I think, certainly beneficial to producers, especially at this particular time.

So yes, that is what we have done.

Mr. D'Autremont: — Thank you, Mr. Minister. Unfortunately though, there was a change made after January 1 that has been raised with me, and that happened on January 25. Those people who were buying their bulk fuel from a card lock no longer received that fuel tax-free but now again had to start paying the tax on that bulk fuel.

Why was that change made? You yourself just finished saying that the producers needed that cash today, not at some future point a year down the road. So you're now . . . you took the tax off for them when they purchased bulk fuel through a card lock on January 1, then you reinstated it on January 25. What was the rationale for that, Mr. Minister? The producers you were talking about needing the cash in their pockets now continue to need that cash in their pocket today, but you're taking it away from them.

Hon. Mr. Cline: — The situation the member describes is that producers who went to card lock operators were able to, originally, get the fuel without paying the tax up front. The change was made not to accommodate the revenue division or the Department of Finance or the government but to accommodate retail dealers in gasoline who are not card lock operators, key lock or card lock operators, because those retailers that didn't have a key lock or card lock operation were complaining to government that they were placed at a competitive disadvantage if producers could go to the key lock or card lock operators and get their fuel, and nobody would go to the retailers without that operation because they'd have to pay the tax up front. So we decided to level the playing field as between the gas retailers, and that's what we did, not for our benefit, for the benefit of small business largely in rural

communities.

And I would hasten to add, Mr. Chair, that any producer that goes to the key lock or card lock operation and pays the fuel tax is eligible to get that tax back. Now I will acknowledge that, of course, that's less convenient than not paying the tax because you have to apply to get it back, but nevertheless it seemed more fair to the retailers in small towns who said to them — this put them at a competitive disadvantage.

And you know, I understand the member's question, but I have to also say that if we had gone the other way, I suspect we would have complaints coming forward about how we were treating the retailers, and as I said, the producer can certainly apply to — and they do apply — to get that tax back. And we've removed the tax so that every penny that is paid in tax can be got back by the producer.

Mr. D'Autremont: — Thank you, Mr. Minister. I don't know many producers that have opportunities to access a card lock and then turn around and buy their gasoline retail because the purpose of having the card lock and bulk sales is that it's cheaper than retail. Otherwise what's the point of having it? People would simply just go to the retail and fill up.

So Mr. Minister, I don't think your argument holds water. It may be the odd occasion where a retailer some place is having a gas war and it may be cheaper than the bulk. But in most cases certainly the bulk sales are going to be less than what the retailers are charging including tax on both of the purchases, Mr. Minister.

Mr. Minister, on the fuel sales that are made to producers, what percentage reapply or apply for the rebates, and what dollar values are placed on those that are seeking the rebates and those that don't seek the rebates?

(19:45)

Hon. Mr. Cline: — In response to the first part of the member's question, Mr. Chair, I will say that producers who have access to a key lock are certainly entitled to get bulk fuel at the key lock. It's just that if they want to fill up a vehicle or a slip-tank on a truck they cannot . . . then they have to pay the tax up front to the retailer. The exemption . . . well not exemption, but the payment of no tax up front applies to bulk sales and that's the answer to the member's question.

With respect to the second part of the question, because this program only came into effect January 1 of this year at least with respect to being able to purchase the farm fuel without paying the tax up front, we do not yet have the figures as to how much will be purchased without paying the tax up front and how much will be rebated because we haven't had time to actually go through the fiscal year.

In this case I guess it would straddle two fiscal years — that would be the calendar year for 2001 — to see what those numbers add up to. And I don't think we would have that information for the member until the year 2002. But when we do have that information I'd certainly be very happy to give that information to the member.

Mr. Wakefield: — Thank you, Mr. Chair of Committees. Mr. Minister, I have a couple of situations in my area. We've talked about them in the past. I'm wondering if other consideration have been given to these situations.

Let me outline one of them. As you know, in my area there is economic . . . similar economic opportunities on either side of the border, Alberta to Saskatchewan, based on the petroleum industry in that area. To an oil company, they have operations on both sides of the border.

The equipment operators that are based in Alberta, when they are called to bring their equipment across into the Saskatchewan side, have been required to pay the full PST (provincial sales tax) on the entire amount of that equipment the minute it comes across the border.

It may in fact work for 20 minutes, it may work for 2 minutes, it may work for several days, it may never come back into Saskatchewan. These equipment companies dealing in lease roads and construction are required at a moment's notice by the companies to do the work. These companies are very reluctant and find it very awkward to have to pay the PST on that equipment, unlike in the trucking industry, pay the full amount. And the request that I think you and I talked about earlier was to pro-rate some of the tax or to put a tax on a piece of machinery and it may not be on a specific one but that company would only be then allowed to bring in one piece — no matter which one it was — but one piece into Saskatchewan.

Any kind of a tax PST consideration would be most welcome and probably facilitate the work done on the Saskatchewan side. As it is now, these companies virtually stay away from Saskatchewan, which causes an increase in price for the work done there. Could you help me with that? Has there been further consideration, Mr. Minister?

Hon. Mr. Cline: — Mr. Chair, the member is not correct when he says that if you're an Alberta contractor and you come into Saskatchewan that you would pay the full amount of PST on your equipment which was purchased in Alberta. In fact, you would pay, for example, if you operated one year in Saskatchewan you would pay one-third of the amount of the PST.

But I'm a bit surprised that the member would put the question in the way he has because in fact what we're trying to do by levying a PST on Alberta contractors that are coming in with their equipment, which is purchased in Alberta PST-free, is to protect Saskatchewan business. And if you let the Alberta companies come in who haven't paid PST on their equipment do work here and you don't charge them any PST, then what does that do to your local suppliers and contractors in Saskatchewan who are required to pay PST on their equipment?

So in fact what we're trying to do is make the playing field level to protect Saskatchewan business. The premise of the member's question is that people should be able to come in from Alberta and not pay any tax and then do work here. And where does that leave the contractors and suppliers in Saskatchewan? It leaves them high and dry.

And so what you've got to have, Mr. Chair, is the system we do

have that if Alberta contractors come in they can come in; it's a free country. But they must pay something toward the PST that they would have paid on their equipment if they had been from Saskatchewan because otherwise it would not be possible to do business in Saskatchewan or at least there would be a competitive disadvantage from the PST standpoint. So that's why we do it.

And I have to say to the member, Mr. Chair, the contractors and suppliers, construction companies in Saskatchewan have been very vocal to me, wanting the Department of Finance to do audits and make sure that out-of-province contractors pay their fair share of the PST.

And in fact we have people in our revenue division who do just that and collect millions of dollars a year from out-of-province contractors who are bringing in equipment that no tax has been paid on. And that's what we should be doing. That's what we are doing. It's the fair thing to do, and it's the right thing to do.

Mr. Wakefield: — Two points, Mr. Minister, if I could. I am very pleased to hear that an operator in Alberta does not have to pay the full amount of the PST on his equipment. That has been a ruling that people on the Alberta side, contractors on the Alberta side, have been trying to obtain for some time. And I'll be pleased to relate to them the fact that they do not have to pay the full PST.

The other point, Mr. Minister, I think that I had to mention is that my comments earlier were not intended to have Alberta operators come into Saskatchewan and operating PST-free. What I'm suggesting is that they pay their fair share.

But my question was, could it not be in a pro-rated manner, just as if I had a truck operating in Alberta and I was operating some time in Saskatchewan, I would pay a pro-rated amount of PST. I cannot see why there is a difference in this situation. Correct me if I am wrong, Mr. Minister, but I do believe that operators in Alberta have had to pay the full amount of the PST.

Hon. Mr. Cline: — The answer is, it is pro-rated. The longer the equipment is here, the more PST they will pay. If they bring in their equipment for one year, they pay one-third. If it's two years, two-thirds. If it's here for three years, then they would pay the full amount of the PST. But the answer is, it is pro-rated.

There is a bulletin from the Department of Finance that explains this in detail, and I would be happy to send that bulletin to the member opposite for his information. And I'll ask the officials in fact to do so.

Mr. Wakefield: — Thank you, Mr. Minister. I don't want to dwell on this any longer because I'll be anxious to see the bulletin.

I guess the point I was bringing up is that equipment doesn't come into and remain in Saskatchewan for a long period of time. It might do a job for several hours or several days. It could be . . . and it goes back and forth across the border. However I'll wait for the bulletin.

The other situation that has caused some concern, and it is not

only in my area but I think in other areas as well, and that is with regards to a service station, a gas pumping . . . car fuel pump station right on the Yellowhead Highway not very far from the Indian reserves of Poundmaker and Little Pine.

Now that service stations can sell gas on the reserve with the PST consideration compared to the service stations that are off the PST . . . or off the reserve, there was a suggestion and a request that these service stations will not be competitive with the gas stations for the natives that are buying gas on the reserve.

And I think similar to the GST (goods and services tax), there is a distance-rated concession to those kinds of service stations. Has further consideration been given in that situation?

Hon. Mr. Cline: — Certainly it has been considered. The member asks has consideration been given. The answer to that is yes. But the consideration has led to the conclusion that nothing should be done in the sense that . . . well I'll explain it this way.

We have no jurisdiction over the gas station on the reserve. Under federal law, they do not have to charge fuel tax and our advice is we're not allowed to impose fuel tax. So there is no fuel tax on the reserve for First Nations people.

Then you get the gas station off-reserve that may be close to them. The difficulty is if you change the rules with respect to that gas station, then you simply move the problem out slightly further because there will then be a gas station that is within the proximity of the first gas station off-reserve.

So our conclusion was that the best thing to do was to let the status quo operate and that's . . . Consideration was given. That's the conclusion we reached. And that's the policy of the government.

Mr. Wakefield: — Thank you, Mr. Minister. I'll pass that along too to the operator of the service station that has now a for sale sign on it. I'm sure he'll be happy with your answer.

I just have one more question, Mr. Minister. And that is going back to the debt of the province because I just wouldn't feel right if I didn't have a chance to talk about that because I really believe that that is one of the signals that we've talked about in the past, one of the signals that people look to Saskatchewan and see, and I think that they wonder if there is an opportunity here.

I'm looking at the accumulated debt in the statement of revenue, expenditure and accumulated debt. This is actually on page number 10 of your budget document. And I see that the accumulated debt which you talked about is going down, is in fact down from the forecast of 2000-2001 to your estimated budget of 2001-2002 by a very, very small amount. The prospect of paying down the long-term debt at that rate is . . . it's amazingly small the chance of it paying down or becoming significantly less.

Realizing that there isn't always the amount of money and opportunity to be able to do that, but we do find that there is money available for other expenditures including an increase in

the number of civil servants and also increasing the expenditure of at least 7 per cent overall this year.

Can you explain to me why there would be a good feeling in the investment industry when our accumulated debt is virtually stationary and not moving?

Hon. Mr. Cline: — Well I would say this, Mr. Chair. To put this in context, 10 years ago, in terms of tax-supported debt, I believe that Saskatchewan was probably the worst province in the country in terms of level of debt. Newfoundland may have been worse or they were close to one another. And today we are sort of in the middle of the pack, and am I satisfied to be in the middle of the pack? The answer is no, I'd like to be at the head of the class. But we are moving toward the head of the class and that's what we want to be.

What I would say to the member is that in 1993 our tax-supported debt was equivalent to about 41.5 per cent of the gross domestic product — 41.5 per cent. This year, 2001, our tax-supported debt is 23.2 per cent of the gross domestic product. In other words, the economy is growing, the debt is going down somewhat in absolute terms. But the important point is that the debt as a . . . the size of our annual production has gone from 41.5 to 23.2. Obviously, that's progress, Mr. Chair.

(20:00)

And I think even the member would agree that that's progress. And as I said before, the most significant thing is that the credit rating agencies who are objective — they're not the government; they're not the opposition; they're people from outside, from Toronto and New York that look at the debt and say, is it getting better? And they all say, yes, it is getting better, and so the credit rating goes back up to straight A's from where it was because it is getting better.

But the other thing I would say to the member opposite is I had occasion last week to have dinner with a couple of the credit rating agency representatives from New York who were in town looking at our books, and we were talking about this, and they said the most important thing to look at really is the percentage of your spending that you're spending servicing your debt, that you're spending on interest. And our interest charges have gone from about \$862 million in 1993 to, I think, about \$650 million this year; and they've gone from almost 20 per cent or 20 cents on every dollar that we spend to between 10 and 11 cents today — almost twice as good or almost half as much of our operating spending spent servicing the debt. And again, Mr. Chair, I would say that's progress.

So are we where we would want to be? No, I don't think we're there yet. Are we going in the right direction in terms of reducing the amount of debt? You don't have to take my word for it, Mr. Chair. You can talk to Moody's Financial Services in New York City or Standard and Poor's or Dominion Bond Rating Service or the investment dealers of Canada or any credible objective outside organization, and they'll all tell you the same thing which is that the debt of the province of Saskatchewan is going down. It is more manageable than it used to be, and we're going to keep making it even more manageable in the future. That's why we have a straight A

credit rating, unlike what we had 10 years ago.

And, so do we have no debt? No, we still have debt. Is our debt more reasonable? Yes, it is more reasonable. Are we going in the right direction? We definitely are going in the right direction, Mr. Chair.

Mr. Wakefield: — Mr. Minister, I'd like to continue the discussion and I'm sure we'll have an opportunity to talk about debt, General Revenue Fund debt, total debt, and what these calculations are based on, and the signals that evolve from that. But at this time I'll delay that pleasure for another time and thank you and your officials for responding to the questions.

Subvote (FI01) agreed to.

Subvotes (FI02), (FI04), (FI03), (FI06), (FI05), (FI10), (FI08), (FI09) agreed to.

Vote 18 agreed to.

Supplementary Estimates 2000-01
General Revenue Fund
Finance
Vote 18

Subvote (FI08) agreed to.

Vote 18 agreed to.

General Revenue Fund
Finance
Servicing the Public Debt — Government Share
Vote 12

Subvote (FD01) — Statutory.

General Revenue Fund
Debt Redemption, Sinking Fund and Interest Payments
Votes 175, 176 and 177

Votes 175, 176, 177 — Statutory.

The Chair: — That concludes the Department of Finance within the Committee of Finance. And I would invite the minister to move that report progress on Department of Finance.

Hon. Ms. Atkinson: — I move that we report progress.

Hon. Mr. Cline: — Mr. Chair, the question is . . . that the officials have is whether the Fiscal Stabilization Fund at page 139 of the Estimates book, being vote 71, needs to be raised and voted off.

The Chair: — It is listed as statutory, page 139, Fiscal Stabilization Transfer, so there's no vote required. But if there were questions, you're correct; now would be the time to raise them. I did not raise it, though.

Hon. Mr. Cline: — Yes, I don't have any questions. My point was simply if the opposition had any questions, they should have the opportunity to ask them.

The Chair: — That's correct, so if there are any questions on that now would be the time to raise them. Seeing none, I would now ask the minister to report progress on the Department of Finance.

Hon. Mr. Cline: — Yes, Mr. Chair, thank you very much. Before I do that, I'd like to thank the opposition for their co-operation in moving the estimates of the Department of Finance along. And I'd like to thank the officials for their assistance here today and indeed throughout the year.

And with that I'd like to move that we report progress and ask for leave to sit again.

**General Revenue Fund
Saskatchewan Municipal Board
Vote 22**

Subvote (SM01)

The Chair: — I invite the minister to introduce his officials.

Hon. Mr. Osika: — Thank you, Mr. Chairman. I'm pleased to introduce this evening to all members and yourself, Ms. Marilyn Turanich, who's the secretary for the Saskatchewan Municipal Board. She's seated to my immediate right.

Mr. Bjornerud: — Thank you, Mr. Chair, and welcome, Mr. Minister, and welcome to your official.

Just a few questions tonight, Mr. Minister. I guess maybe if you could just give me a quick mandate of an overview of the Saskatchewan Municipal Board and any changes that may have taken place in the last year.

Hon. Mr. Osika: — Mr. Chairman, I'm pleased to respond to the member opposite. The mandate for this particular board, and I'll just . . . just to make sure I have it perfectly stated: the board is legislatively mandated and empowered to exercise discretion of a judicial and regulatory nature. The board is to ensure financial credibility for cities, towns, and villages, northern municipalities, and school divisions. And as well, to ensure that appeals respecting planning, assessment, fire prevention, and property maintenance are heard promptly and fairly. And it is basically to be there when people need them in these areas of concern.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Minister, in 2000 I believe there was about 15.5 full-time equivalent jobs in Municipal Board. Has that changed or has there been people added to that?

Hon. Mr. Osika: — Mr. Chairman, to the member opposite, there have been no changes to the Board — 15.5 remains as is, and there have been no other significant changes.

Mr. Bjornerud: — Thank you, Mr. Minister. One final question, Mr. Minister. Being that reassessment is this year, what do you envision happening? Are we feeling that the same thing is going to happen as after the last reassessment? Everything just broke up out there. Are you expecting the same kind of response this time from the new reassessment numbers?

Hon. Mr. Osika: — Mr. Chairman, it's difficult to make an assumption, but the Board is geared up and prepared for 500 to 1,000 appeals. If in fact there are not that many, then whatever part-time assistance is put in place will not be used. So I just want to assure the member that the Board is geared up to deal with any number of assessments, primarily between 500 and 1,000.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Minister, we had more questions, many more questions, but I think we've had a lot of them answered through a lot of the different times that we've had this session, this sitting of the legislature. So at this time I would like to thank your official tonight and thank you for your co-operation this session. Thank you.

Hon. Mr. Osika: — And, Mr. Chairman, I would also like to thank the member opposite, the member from Saltcoats, for the questions. And I want to thank Ms. Turanich for being here to assist us in seeing through these estimates. Thank you.

Subvote (SM01) agreed to.

Vote 22 agreed to.

Hon. Mr. Osika: — Mr. Chairman, I would move that we report progress.

(20:15)

**General Revenue Fund
Education
Vote 5**

Subvote (ED01)

The Chair: — I invite the minister to introduce his officials.

Hon. Mr. Melenchuk: — Thank you, Mr. Chair. This evening I have Craig Dotson, deputy minister of Education, to my immediate right. And to his immediate right we have Don Sangster, who's the executive director, school finance. Immediately on my left is Michael Littlewood, executive director, legislation and school administration.

And directly behind me is Ken Horsman, associate deputy minister of Education. And beside Ken is Frances Bast, director, finance and administration, corporate services. And at the back of the room we've got Cal Kirby, facilities planning, the director. And beside him is John McLaughlin, the executive director, Teachers' Superannuation Commission. These are the officials this evening.

Ms. Draude: — Thank you very much, Mr. Chair. And to the minister and to the officials, welcome. I would think this is probably the last opportunity we'll have to discuss Education this session unless of course something happens that you might decide to stay for a couple of months yet.

But I have a few questions that some people around the province have asked me to ask, and I guess maybe the most important one is still the 60/40 split. I mean we've talked about the extra money that went into Education many times this session but really there's not a lot of school divisions that saw a

great big difference in the amount of money that they were receiving. There was about \$385 million that really was taken away from Education since 1992, and yet the education system is still on the rails, and not only on the rails, but most people are appreciative of the system. I think we can thank the school boards and the trustees and the teachers for making this issue still work . . . the education system still working so very well. And I think that it's something that we can see when it's in the hands of the local people that the money is used very well.

But can you tell me when your government is prepared to really address the 60/40 split.

Hon. Mr. Melenchuk: — Mr. Chair, certainly when we talk about the Education budget this year, it was recognized as the largest budgetary increase in some 15 years. And when we talk about the actual per capita, per student increase it was the largest increase in some 20 years. So the provincial commitment to education, K to 12 education, is substantive. We're talking about the foundation operating grant on a calendar year basis, just two short years ago of roughly 397 million. To date it's well over 460 million which is a 16 per cent increase in just two years and substantially more than the rate of inflation.

Now we can talk about the 60/40 ratio, and this is one that specifically school trustees, school boards tend to talk about in terms of the proportion coming from the property tax base and the proportion coming from the provincial government. Now over the course of the 1990s there wasn't really any substantive difference in that ratio. We're talking roughly that 60/40 dipped a little bit below in the late 1990s into that 39 per cent range. We don't have the estimates for this current year in terms of what the actual expenditures and revenue will be from school divisions, but we would anticipate that there would be an increase in the ratio.

The problem that I really see with regard to the funding of education in the K to 12 system is not so much the responsibilities between the property tax and the provincial government, because jurisdictions throughout Canada have different ways of funding education. When you talk about how education is funded for example in Alberta, there is no longer any access by school boards to the local property tax base and the provincial government actually sets the mill rate and collects the dollars from the property tax base directly from ratepayers.

If you look at situations in Quebec and Ontario where there's less reliance on the property tax base, but they have payroll taxes to a substantive amount on gross payrolls for all employers, which then is called an education tax. So there's different ways of looking at how you fund the K to 12 system in the province of Saskatchewan. Traditionally we have a proportion that comes from the provincial government and a proportion that comes from the local tax base, the ratepayers, Mr. Chair, and what we find is that the grant that comes from the provincial government is an equalization grant.

So it's designed to fill in the crevices where there might be less revenue that is generated from that local tax base so that we can have equitable educational experiences in the province of Saskatchewan no matter where you reside. So if you're in a

remote area of Saskatchewan, in northern Saskatchewan or rural Saskatchewan, you roughly have similar experiences and resources with regard to your K to 12 education.

So we have made a substantive contribution. Trustees rated the budget an A, the best they've seen in years. The Saskatchewan Teachers' Federation rated the budget an A, the best they've seen in years. We've had comments from individual school boards throughout the province telling us that they really appreciate the contributions of the provincial government this year.

And when you talk about other jurisdictions, well I would stack up the last two years in terms of budgetary increases in any jurisdiction in Canada. I think Saskatchewan is number one in the provincial increases. Thank you, Mr. Chair.

Ms. Draude: — Mr. Minister, I think that when the school divisions and school trustees first looked at the budget they were very excited and appreciative of the fact that there was an extra \$33 million put into the budget. But at the end of the day after reassessment came out, most school divisions found out they were going to be taking more money from their property tax owners.

And at the same time a high assessment doesn't mean that you have more cash in your pocket. So it's hurting very many taxpayers, and I know that you've heard these complaints right around the province. It's the kind of articles that you see written in all the papers and it's the things that we have been discussing in the House.

But, Mr. Minister, you talked about some of the other jurisdictions and how they are collecting taxes for education. And I know at the beginning of this year there was a fear that there was going to be a pooling of the industrial commercial portion of assessment. What is your government doing to look at this aspect of taxation?

Hon. Mr. Melenchuk: — Mr. Chair, certainly there has been some discussion with regard to commercial and industrial pooling. The discussion really highlights a problem that we currently have with regard to equity in the province of Saskatchewan. We have 99 school divisions and the capacity to raise revenue in these school divisions is very diverse.

We have some school divisions, for example, that have very little assessment and cannot raise the local revenues that would be considered appropriate to provide a good experience. So the province then kicks in the dollars to bring them up to an average amount.

We also have school divisions that have lots of assessment, mainly on the commercial development side where they then can access that property tax base, and we have four school divisions this year that received no grant from the provincial government because they are able to access local revenue that other divisions may not have.

What we're finding is that development within the province of Saskatchewan is not put out in a pattern that all divisions are being increasing their assessment to the same level.

This was a problem that was identified in Alberta some years ago where the eastern half of the province compared to the western half of the province, there was a marked difference in the ability to raise local revenue. So the provincial government there basically said we're going to step in and talk about creating a, creating a mill rate, provincial mill rate, that would then actually apply across the piece, and they would then collect those revenues and provide them on a grant basis in the province of Alberta.

This, of course, was challenged by local boards in Alberta and went to the Supreme Court. We have similar constitutional parameters here in Saskatchewan with regard to education, and that makes sense because we came into confederation at the same time in 1905.

So when the Supreme Court made its ruling, it said that it was exactly within the realm and the prerogative of the Government of Alberta to level the provincial tax and not have local school boards access the tax base any longer.

We're not considering that in the province of Saskatchewan, but the equity issue has been identified, so what we have asked as a department, and myself as the minister, is for our stakeholders to talk and see what we can do in improving the equity situation, and the External Reference Committee has met. The school trustees and all members, the stakeholders, are talking now to see what are possible solutions in improving the equity situation so that we can have comparable experiences throughout the province of Saskatchewan. And it's my understanding that there will be an expanded stakeholder meeting in September to talk about this very issue on how we can improve equity in the province of Saskatchewan, Mr. Chair.

Ms. Draude: — Mr. Chair, Mr. Minister, then just short question, short answer. You're not looking at doing the same type of taxation that they're doing in Alberta?

Hon. Mr. Melenchuk: — Certainly not, Mr. Chair. We in Saskatchewan have had what I would consider a very valuable relationship amongst the stakeholders in this province, and we look to our stakeholders for solutions, and we are looking to our stakeholders again for a solution on this issue.

Ms. Draude: — Thank you, Mr. Minister. One of the other issues that we discussed this year was the fact that your department has projected that we're going to lose 30,000 students over the next eight years. How many less teachers is that going to mean for the province?

Hon. Mr. Melenchuk: — Certainly when we talk about projections with regard to declining student enrolment, we are looking at over the next 10 to 12 years within the public system a decline of roughly those numbers. We also recognize that there has been an increase in the number of students enrolled in band schools in the province of Saskatchewan which will require teachers as well.

So in terms of how many teachers we may need or may not need in the future, it's difficult to predict that. Certainly school divisions and school boards make the decisions. They apply in an aggregate way pupil/teacher ratios to determine the overall teacher requirements for a given school. They then allocate their

full-time equivalents on that basis. So to know how many teachers may or may not be needed in the future, it depends entirely on school divisions, and they have the full authority to make decisions on the hiring of teachers and the allocation in the classrooms, Mr. Chair.

Ms. Draude: — Mr. Chair, Mr. Minister, I'm sure you're aware that the 30,000-student drop that your department's projecting includes the number of students that are in band schools already, so it's not that there is going to be students in band schools that are on top of that number. And I would think even if we say that there is a . . . each teacher is looking at 30 students — which we know doesn't happen — it still could mean an area of a thousand teachers that we would be looking at, which is very scary.

Mr. Minister, one area that we haven't touched on that I just want some clarification on is the Role of the School which was something that brought a lot of discussion earlier in this year. I know that part of it is talking about setting up an implementation team or a team that's going to actually deal with some of the recommendations. Have you set up that team yet, and if you haven't when do you expect to?

(20:30)

Hon. Mr. Melenchuk: — First off, Mr. Chair, I just wanted to clarify a point made by the member opposite. The predictions in terms of declining enrolment apply only to the public system. They do not apply to the band schools which are federal, okay. So the projections there have shown a growth.

And when we make the comparisons in terms of the total, overall, student population within the province of Saskatchewan in 1989, there are roughly 205,000 students. When we look at the enrolment in the year . . . well 1989 compared to the year 2000, there are roughly 204,000 students.

Even though we've seen a decline in the public system, there has been an increase in the band schools to the point where there's somewhere between 15 and 17,000 students now in our band schools. Those are not included in the public education K to 12, in terms of the projected enrolments. And we have no way to predict what the growth will be in the band schools, but we anticipate that the demographics are showing that there will be an increase in that population. So I just wanted to clarify that point, Mr. Chair.

Now with regard to the Role of the School Task Force, yes the Role of the School Task Force did recommend an implementation committee. We have senior officials now that are out meeting with various groups throughout the province of Saskatchewan. And we have written all of the stakeholders and have given them a target date of October 15 to have their responses in, in terms of implementation.

So this fall we'll be able to lay out an implementation cycle for the Role of the School Task Force.

Ms. Draude: — Mr. Minister, one of areas of concern that was addressed by the Role of the School was the hidden youth and the number of students that are not in school in Saskatoon and Regina.

I'm wondering, there was also some thoughts that we would need some way of monitoring students to see if they're going from various schools and maybe out to band schools. Has your department been doing any work on this issue, and if so, what are you working on?

Hon. Mr. Melnychuk: — Mr. Chair, certainly the department has allocated, with the most recent budget dollars, some money to look at creating a tracking system.

We also recognize . . . we recognize that tracking students is important but we also believe that the initiatives that we put forward with regard to safe and caring schools that was announced last fall will improve the retention rate of students. But also the massive expansion with regard from community school programs where we've doubled the numbers this year is an important initiative in creating an environment where there is retention of students.

And what we have learned from the community schools experience is that especially within core neighbourhoods in urban Saskatoon and Regina, once they have the designation of community schools and the programming that is associated with the community schools, not only do their enrolments increase but their retention rates increase.

And certainly having had an opportunity to visit schools in Saskatoon, Pleasant Hill and Westmount, what I was told at the time by the principals of those schools is that their retention rates for kids coming into the kindergarten system and who will come out in grade 8 has tripled or quadrupled in those schools. So there is significant retention. The families are staying in their communities. They are welcomed into the school environment and that is extremely important in terms of having those children stay within the school environment and keeping them off the street.

The hidden youth problem that we've been experiencing, some of that will be corrected by our community schools initiative. Our caring, respectful schools program will help. And also a tracking system to know where the failures are in terms of the system and how we can correct those.

Ms. Draude: — Mr. Chair, Mr. Minister, my question was the tracking system. What kind of work are you doing on it? Have you got anything underway at this time?

Hon. Mr. Melnychuk: — The answer to the member is yes. The program will allow for schools to start inputting data on their students this fall from kindergarten right to grade 12. We'll also be including band schools and, after the initial glitches in the system, I would expect that we would have a fairly good tracking system within the next year with regard to all the students in the province of Saskatchewan.

Ms. Draude: — Mr. Minister, maybe you could clarify that a little more. Is this a computer program where each student is given a number? Is it different from their hospitalization number? Is it something that can be kept between schools so that they can just use it through the computers, or is it a number that the students have to carry themselves?

Hon. Mr. Melnychuk: — Yes, certainly, Mr. Chair, there will

be a unique student identifier for each student. We are currently working on how that identifier would work. As the member opposite knows, we currently have student identifiers beginning in grade 10, and all marks, of course, are collected by the Department of Education for grade 10, 11 and 12 and a unique student identifier. So that unique identifier will be applied to all students beginning in kindergarten, and how that number or what that process will be hasn't actually been worked out at this point.

Ms. Draude: — Mr. Minister, just one more question on this issue. I heard you indicated that there has been some kind of an arrangement made with band schools. Does that mean that you have an agreement with the FSIN (Federation of Saskatchewan Indian Nations) or with individual bands that each child within the band schools are going to be tracked?

Hon. Mr. Melnychuk: — Mr. Chair, those discussions are currently underway, and we would anticipate that we'll have that in place over the next several months.

Ms. Draude: — Mr. Minister, I have a question on teachers' pensions and benefits. I noted that this year there was a considerable drop in the amount of money spent on teachers' pensions and benefits, and I'm wondering if you can give me an idea how long this drop is going to continue and when we're going to start seeing the large increase in the amount of money that will be paid out under the old teachers' pension plan.

Hon. Mr. Melnychuk: — Mr. Chair, with regard to the old plan, teachers' superannuation, the actuarial predictions would indicate a drop with regard to the requirements from the General Revenue Fund to the year 2009-2010. At that point we will see a steady increase to a peak in the year 2026, where the funding requirements at that time would be substantive.

So certainly the unfunded pension liability under the old plan is one recognized, and certainly one that the Teachers' Federation has some concerns about, as well as we as a government. In terms of how we can deal with that unfunded pension liability is something that obviously really goes unaddressed this current budget year, but it's something that we will be looking at in the near future.

Ms. Draude: — Mr. Chair, Mr. Minister, what do you mean by substantive? How many dollars are we looking at, starting in 2009? I believe you were saying that there's going to be a decrease. I'd like to give the people an idea of how much money we're looking at.

Hon. Mr. Melnychuk: — In actual dollars, the dollar amount in 2009 would roughly be a low of 48 million in terms of the General Revenue Fund requirements. And from 2009 to 2026 it will peak at 297 million. These are current dollars and when you factor in the adjusted dollars of course, doing the rate of inflation, I'm not too sure exactly what that would equate in today's dollars, but it would be substantially less than the current or that actual amount.

Mr. D'Autremont: — Thank you, Mr. Chairman, Mr. Minister, officials. I'd like to ask some questions at the present time about special needs services and students. I believe that the Department of Education supplies funding to school divisions

for students with special needs but that the students have to provide some documentation to verify their special need.

I'd like to ask you, what documentation is needed, what does it need to indicate, and to what purpose is that documentation used?

Hon. Mr. Melenchuk: — Mr. Chair, the only documentation that would be required would be for high needs level 1 and high needs level 2. And the documentation would be achieved by the school division, and it would be clinical documentation. So that if it was a deaf child or if it was a cerebral palsy, then that evaluation would be based on clinicians and consultants within the school division. There is no actual documentation that is needed to be provided by the child or the parents of that child.

Mr. D'Autremont: — Thank you, Mr. Minister. Would this documentation follow the student? What happens to it within the school year or subsequent school years?

(20:45)

Hon. Mr. Melenchuk: — Mr. Chair, the documentation would be included in the student's file, and that file would be transferred with the student if they moved within schools within the division — or outside the division, I imagine.

The question arises is that because of our special needs to high level 1 and 2, the funding associated with that is important. So I don't imagine that many school divisions would not want to . . . that they would want to have that documentation in place because the additional funding to that school division from the provincial grant is substantive and has increased dramatically in the last two years.

Mr. D'Autremont: — Thank you, Mr. Minister. Does the department have copies of this documentation for the purposes of supplying funding, or do you simply rely on the school division to make the determination that the documentation is correct and therefore proceed with the funding?

Hon. Mr. Melenchuk: — Mr. Chair, the regional offices and the superintendents of children's services would review the documentation. There is no documentation kept centrally by the Department of Education. And the regional offices would then approve as a level 1 or level 2 high needs, and would also approve the programming for these high needs students within that division as well.

Mr. D'Autremont: — Well thank you, Mr. Minister. The reason I'm asking this is, you're probably aware I have a child, a special needs student in high school. And the beginning of the year to receive funding, we need to supply a document from his doctor stating what his needs are, what his disabilities are, and what he can do.

So as you move through the year, you come to departmental exams. All of a sudden we need to re-supply those very same documents again for every departmental exam. Now the Department of Education has been funding that student high cost needs for the year based on the documentation that was supplied. All of a sudden this documentation is either not available — it's disappeared, whatever reason — and it has to

be re-supplied again for departmental exams.

What you're doing is you're forcing the doctors of all disabled students to continue to write these letters over and over and over again even when there's no change in that student's disabilities.

Why can't your department communicate in itself to the various agencies that need this information? You're funding it. Now why can't that information be passed on to all the other areas in your department that need that information? Why can't you tell the people at the departmental exams that this student is disabled? Here's his file; here's what he needs. But you're forcing the students, their parents, and their doctors, more importantly, to go through this thing time and time and time again for no useful purpose.

Hon. Mr. Melenchuk: — Mr. Chair, the member opposite makes a very good point. And from what my officials tell me, that the . . . in the context of a departmental examination, this is the actual first time that they've heard this particular scenario for them.

Certainly when I made comments earlier with regard to the Department of Education actually keeping files on disabled, it was more in the context of funding, and certainly they wouldn't have that information. But this is something that we will look into.

Certainly I don't think any parent or any physician in the province of Saskatchewan likes to repeatedly provide documentation with regard to disabilities, especially considering that the nature of most of these disabilities are such that they're permanent and one documentation is all that should be required. And that should follow that student throughout his time within our education system.

So this is a very good point that the member opposite has raised. And we will certainly be looking at this and developing plans to correct this . . . what I would consider an inequity at this point in time.

Mr. D'Autremont: — Well thank you, Mr. Minister. I hope that your department takes it to heart and does make those changes because it certainly is an impediment to all the students and the parents involved and to the doctors and the health care professionals that have to keep doing this over and over again. It's a frustration. It wastes time and for no good purpose.

Subvote (ED01) agreed to.

Subvotes (ED02), (ED03), (ED08), (ED04) agreed to.

Vote 5 agreed to.

Supplementary Estimates 2000-01
General Revenue Fund
Education
Vote 5

Subvote (ED03) agreed to.

Vote 5 agreed to.

The Chair: — I would invite the Minister of Education to move that we report progress on Department of Education.

Hon. Mr. Melnychuk: — Before I do that, Mr. Chair, I just would like to thank the members opposite and the member from Kelvington-Wadena, the critic for Education, for their thoughtful and well-researched questions throughout the estimates that we've done on Education this year. And I'd also like to thank my officials who've been here as a group faithfully over the session and have provided what I would consider very appropriate and very accurate information during this estimate progress.

So with that, Mr. Chair, I would move that the committee report progress.

Ms. Draude: — Thank you, Mr. Chair, and to the minister's officials, I'd really like to take the opportunity to thank your officials as well. I know they've done an excellent job and I do appreciate your time.

The Chair: — Actually, I've just been advised that because we voted everything off that we do not need to move that we report progress.

**General Revenue Fund
Saskatchewan Water Corporation
Vote 50**

Subvote (SW01)

The Chair: — I recognize the minister to introduce his officials.

Hon. Mr. Osika: — Thank you very much, Mr. Chairman. I would like to introduce the officials that are here from Sask Water: Clare Kirkland, to my left, who is the president; Mr. Wayne Dybvig, who is the vice-president of water resource management, to my right; Bill Duncan, chief engineer; and Dave Schiman who is sitting right behind me and is the manager of financial planning.

Mr. Brkich: — Thank you, Mr. Chairman. I welcome the minister and his officials here today. I just have a few questions today.

The last time we were here we discussed some acres that were planted in 2000 for Sask Valley Potato Corp. I think you had quoted at 1,329 acres, I believe. And when I was looking back through the estimates I did last year with the hon. member from Meadow Lake, I had asked him on June 13 how many acres were planted. And his quote was, "we are of the view that it would be under 300 acres right now that we're leasing."

My question to you is: did you plant them thousand acres after June 13?

Hon. Mr. Osika: — Mr. Chairman, honest I wouldn't seed potatoes after the final seeding date.

I'm told that they were likely seeded prior to the date mentioned by the member and the number of acres, the total acres, involved the SPUDCO (Saskatchewan Potato Utility

Development Company) people . . . with the SPUDCO involvement was 1,329 acres. So that's where that came from.

Mr. Brkich: — Thank you, Mr. Minister. I just wanted to clarify. The only reason I brought that up, there was about a thousand acres is about . . . costs close to about 1,000 acres to plant them so that's about a million dollars in the budget. So it does, you know, throw out the budget estimates.

When I was doing them last year to this year, I'd just like to make a note to the House, the minister would hopefully maybe next . . . or the one that did it last year that would be a little more accurate in his . . . the old minister, like the minister from Cannington pointed out, you seem to be right on this time with your 13 and 29 hundred acres. So that's good.

One other question I would like to ask is was there any updates on the Meridian dam, any new announcements made with that? I know the member from Cypress Hills before had made some inquiries and . . .

Hon. Mr. Osika: — Mr. Chairman, the member would be familiar with the announcement that Sask Water will be participating in a feasibility study which is being funded \$75,000 by the Alberta environment people and \$25,000 by Sask Water to review the potential, to review the pros and cons, an initial feasibility study.

And up to this point in time what's happened is that a consultant, Golder Associates, have been selected to assist in carrying out this feasibility study which will include the opportunity for groups, for people that are concerned about the impact of such a major consideration in the future, on the environment. People will have an opportunity to appear before a committee, a group of people, and express their support or their lack of support if you wish, their opposition to it. And that will be . . . that'll probably take until at least the end of this year.

(21:00)

One thing that I know that there's a concern on both sides of the border to ensure, and by the way we're . . . Sask Water has agreed to participate in that portion of the funding for the study because we feel we're good neighbours with Alberta and they're initiating the project. And as a participant we want to ensure that we have first-hand knowledge of the results of any inquiries and impact studies on this type of a project.

So I hope that's brought you up to date. I hope that's brought the member up to date, Mr. Chair, on where we're at, at this point.

Mr. Brkich: — Thank you, Mr. Minister, and Mr. Chairman. Thanks for the information on that. As you know that I guess we're in a very, going into a very bad drought this year, through about half the province or a little more. I know you had made some announcements a little while ago on water pumping equipment rental, cutting that in half. And I'm asking: did you have many inquiries at that end of it with that program? Has there been an increase from last year to this year for people renting pumps, equipment, lines?

Hon. Mr. Osika: — Mr. Chairman, to the member opposite, I apologize for not having specific numbers that have responded to the option that's been offered, but there have been quite a few have requested or inquired about the over . . . particularly the over mile in length that needs to be . . . have additional pumping and for that 50 cents . . . 50 per cent reduction in fees. So there has been a good response to what may be of benefit to those people that are in a position to take advantage of it.

Mr. Brkich: — Thank you, Mr. Minister. Are you looking at any other, bringing any other programs such as well digging or dugout programs and grant money through that, or possibly some of the water going through channels, diverting that, holding that back into some PFRA (Prairie Farm Rehabilitation Administration) pastures that could be running dry, short of water?

Hon. Mr. Osika: — Mr. Chairman, the seriousness of the conditions that the member refers to is acknowledged. There is a drought committee that's made up of PFRA, Saskatchewan Agriculture and Food, and Sask Water. And this committee works closely . . . PFRA supplies or makes available some financial resources to dig wells and dugouts.

And Sask Water is available for any technical advice, information, to assist those producers who find themselves in a situation where they may require to carry out some of these projects.

But as far as the specifics that the member opposite has asked about, nothing like that is in place specifically. But the resources, the people are there to offer advice, and/or in the case of PFRA for wells and dugouts, to offer under some of their programs some financial assistance.

Mr. Brkich: — Thank you, Mr. Minister. Checking with PFRA, most of their programming for this year, their funding is gone. I've got some information from them. There's very little funding left. In fact when the one office we phoned, they were done. They said there will be nothing new until next April.

At that end of it . . . and people are looking at dugouts drying up. I've talked to various ranchers and people with cattle that are hauling water roughly 15 miles, you know, and it looks like they're going to be hauling for the rest of the summer. So there's a lot of people in dire straits out there with the water. So I hope or I implore that you will look at some programs this summer, any way that you can help anybody that needs water out there.

With that I will turn it over to my colleague from Saskatchewan Rivers. I believe he has a few questions.

Mr. Wiberg: — Thank you very much, Mr. Chair. Mr. Minister, welcome this evening and welcome to your officials.

Mr. Minister, I just have a short line of questioning I would like to put to you this evening. It's just concerns that were raised in my constituency over some people that were dealing with Saskatchewan Water Corporation.

Mr. Minister, what has been indicated to me is that some problems arose with water flows in my constituency. And when

these individuals approached Sask Water to have the problem dealt with, they found that they were dealing with antiquated maps, Mr. Minister. The one gentleman said that the maps that they were using were dated 1956. And I don't remember the exact year off the top of my head, Mr. Minister, but the other gentleman said the maps that Sask Water was using in reference to his case was dated in the late 1940s — in 1947, 1948.

And from their perspective they're wondering what Sask Water is doing to upgrade their mapping system so that a more modern approach can be taken to studying to water movement.

As you're probably well aware, in my area of the world there has been a significant removal of brush in that area. Water flows in the spring are much quicker than they ever used to be. And certainly the maps that they're using nowadays certainly don't reflect the exact land as it is now, as it is much more wide open.

So they're just kind of wondering what Sask Water is doing to upgrade their mapping system so that should problems like this arise in the future, the people that would need to deal with Sask Water would have a more up-to-date maps in which to work with.

Hon. Mr. Osika: — Mr. Chairman, to the member in response to the question concerning the maps, the outdated, antiquated . . . There's a reason for it, I'm told, and it does make sense that you would use the maps from previous years to determine what has changed and perhaps be able to identify why those changes have taken place. So what it was like a number of years ago and what the situation is now, and perhaps be able to follow the reason for the current situation or perhaps even why it was created.

Now as far as the maps used, they are current. Each year Sask Water does use updated maps that are aerial photos. But the old maps are used again, as I said, to compare what it was like then to what it is now and perhaps connect through looking at these two maps why there may be certain problems that have suddenly arisen or come into existence, whether they were natural or man-made. But they serve that useful purpose, so it's not that Sask Water does not have updated maps. They do operate with current maps that are updated on an annual basis at the minimum.

Mr. Wiberg: — Thank you, Mr. Minister. Mr. Chair, to the minister, it keeps me going then with my second question here. In both instances, when they were working with . . . these individuals were working with Sask Water in trying to understand the problems that they were dealing with when working with these maps. And I appreciate the answer that it's sometimes better to be able to see it through the way it was, so to help you understand how it ended up where we are today with movement of water, which is the direction I want to go with these couple of last questions. Nowadays in modern farming practices, of course, farmers are trying to create efficiencies of drainage on a lot of their land. To improve the water flow in the spring so that the runoff is much more prudent so that you maximize the amount of land you can use without having water laying around for extended periods of time.

In both of these instances what's happened is that neighbours of

these individuals, in trying to achieve efficiencies, have inappropriately or accidentally probably in most cases actually diverted water flows from their natural long-time runoff patterns in the spring. These gentlemen are wondering what is Sask Water's policy in regards to diversion of natural water runoffs and its relationship as it affects their neighbours.

Hon. Mr. Osika: — Mr. Chairman, in the event that people do have a concern about water being diverted on to their land by others, Sask Water is available to accept formal complaints in order to investigate those kinds of incidents to determine where the problem has arisen.

And I just might add that that's why it's so important to have a corporation like Sask Water to be available to offer guidance and/or advice to people before they do in fact divert water from one particular area to another for the very reasons that the member has mentioned, that what in fact may be done for the benefit of being able to get on my land may adversely affect the neighbour down the stream, if you wish.

And if that does happen, as I say, there is a process to follow whereby a formal complaint is lodged with Sask Water and investigated and I am told that the corporation investigates upwards of 200 and better on an annual basis, concerns that are brought to them about that type of a situation being created.

(21:15)

Mr. Wiberg: — Thank you, Mr. Minister. Mr. Chair, to the minister just real quickly. Then are you saying that there's no formal policy in place to address this issue, and rather you're saying that it's handled yearly on an ad hoc basis?

Hon. Mr. Osika: — Mr. Chairman, I apologize. I didn't make myself clear enough that any channels to divert the flow of water requires the individual to obtain a permit to allow them to do that. So that's the control mechanism and that's why in the event that downstream someone is having a problem as a result of what's taken place upstream where a ditch or a culvert has been dug without this permit, then the investigation is conducted and that's where the formal complaint process begins. So there is a need for people to obtain permits if they're going to divert the flow of water unto someone else's land.

Mr. Wiberg: — Thank you, Mr. Minister. I just have one final question here to go and maybe it'll lead to a second one. I hope not. One of the problems that also arose through this process was the issue of restricted water flows.

Living as I do in north central Saskatchewan is that of course we often have that beautiful rodent — the beaver — set up shop and certainly has proliferated to a large degree. Many people live along waterways of some sort, small ones where the cricks and rills to a small degree that the beaver has moved in, built dams, and starting to back up water.

What we're starting to find now is that there's some problem arising from the removal of those beaver dams. And of course the problem is two-fold. On one side of the coin the restricted water flows are backing up onto farmland into people's yards, and on the other side of the coin to remove the beaver dam holus-bolus, Mr. Minister, creates a large deluge of water going

downstream again. And I'm wondering what the policy is for Sask Water on being able to handle this kind of a problem.

Hon. Mr. Osika: — Mr. Chairman, with respect to the beaver dams that have struck the flow of water, the rural municipalities generally maintain a fairly close watch on those types of situations arising, and if they do find an area where they need to take some action, generally what they will do as well is notify the people downstream of what problem they might anticipate. At the same time, if the RM is concerned that the backlog of water is so great that the problem may cause further problems downstream, Sask Water is available to advise, to give some technical advice on how perhaps they may control that temporary problem. And I appreciate that sometimes these beaver dams are not . . . maybe folks aren't alerted to them until there has been a backlog of a considerable amount of water.

But that's the process that would be followed. The RM would notify, if they planned on releasing all that water, would notify people downstream. But if they did have a serious concern about a greater impact than what people would appreciate, then the opportunity to contact Sask Water for some advice on how to perhaps ease the flow, the amount of the flow after getting rid of one of those beaver dams.

Mr. Wiberg: — Thank you, Mr. Minister. Mr. Chair, just one quick question. When a municipality is advising people that live downstream from a beaver dam that may be removed, is there an appeal process that could take place in order to slow up the process until a solution can be reached? Or can it be handled in an expedient manner, or does an appeal process be allowed to take place that could actually compound the damage that's being done by not removing the beaver dam in a prudent and efficient manner?

Hon. Mr. Osika: — Mr. Chairman, those situations are dealt with between the rural municipality and the landowner or landowners. Sask Water does not get involved with the exception of being available to offer technical advice and assistance. But as far as holding up a situation in a particular area, that's strictly between the landowner and the RM.

The appeal process . . . the discussions would be between the landowner . . . I'm sure the person that's having the water back up on his or her land would be concerned and want something to happen immediately. And I'm sure the RM would be anxious to similarly ease the problem there with creating as little problem as possible downstream, but alerting people downstream. And, if necessary, if it looks like it's going to create a lot of problems, then the opportunity is there to contact people in Sask Water and have the technicians come out, perhaps offer some advice on how a potential problem might be alleviated at least in a temporary basis.

Mr. Brkich: — If the drought persists, Mr. Minister, is there emergency funds set aside to help farmers, ranchers dig dugouts, or ones that have to haul water for any substantial amount of length of . . . if they have to haul water for let's say for more than 15, 20 miles, for digging of wells — do you have money budgeted for that?

And also I want to ask if the drought persists, for Lake Diefenbaker, for the irrigation there, will they still be able to . . .

will you still be able to meet your quotas there? Will the people be able to take the water that was allotted out to them or will irrigation be cut back there too?

Hon. Mr. Osika: — Mr. Chairman, I can advise the member that there will be no cutbacks on allotments from Lake Diefenbaker for irrigators. Again with respect to the question about drought assistance there is a drought committee, as I mentioned, that's looking at monitoring what is happening.

The answer to the question with respect to funding, there is no disaster assistance in the case . . . in the event of drought within our department. But as I mentioned there is the committee . . . the drought committee that's keeping an eye on what's happening.

And there is concern, no question about it, and I know the member has raised it for that reason. If there wouldn't . . . if there is any assistance it may be through federal/provincial programs of which we do not have access to through Sask Water.

Mr. Brkich: — Thank you, Mr. Minister. Do you know . . . I think when I talked to my Grandma she said this is the driest it's been since 1937 in our area. Just I hope you, like I say, you keep monitoring the situation and we hope it rains.

I just want to thank you and your officials for your patience and time in my questions and answering them. And thank you and I'll turn it over to the chairman.

Hon. Mr. Osika: — Mr. Chairman, I wanted to acknowledge the member from Arm River and his colleague from Saskatchewan Rivers as well for the questions that they have asked on behalf of the people of Saskatchewan with respect to Sask Water.

I want to thank you as well for the opportunity to thank the officials of Sask Water and assure the people that need to receive some technical advice and assistance that the people in the corporation are there to assist in these matters that are a concern to all of us. So thank you again.

Subvote (SW01) agreed to.

Subvotes (SW02), (SW03) agreed to.

Vote 50 agreed to.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Water Corporation
Vote 140**

Subvote (SW01) — Statutory.

The Chair: — Were there any questions on that area? Seeing none then this concludes the — and that was on lending and investing activities — seeing none this concludes the estimates on Saskatchewan Water Corporation.

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

Vote 37

Subvote (PE01)

The Chair: — I invite the minister to introduce his officials.

Hon. Mr. Hagel: — Well thank you, Mr. Chair. The officials have all been before the committee before. And to my immediate left is Deputy Minister Neil Yeates. Seated directly behind him is Mae Boa, executive director of finance and operations. Immediately behind me is Assistant Deputy Minister Lily Stonehouse, and to my immediate right is Brady Salloum, the executive director of student financial assistance.

(21:30)

Mr. Hart: — Thank you, Mr. Chair. Good evening, Mr. Minister, and good evening to your officials.

I checked the *Hansard* the last time we met and discussed Post-Secondary Education and I noted that the questions were perhaps a bit on the lengthy side and so were the answers. So in the interest of getting . . . you know speeding things up a bit, I'll try and keep my questions fairly short and hopefully perhaps the minister will be able to work towards a short answer too. Because I do have a number of topics I'd like to cover this evening.

I guess the first thing that I would like to do is . . . We were talking last time about university issues, when the hour . . . or when we closed the last session of estimates off, and we talked about some university issues dealing with funding and particularly the adjustment funding, and the minister had indicated at that time that you were close to making the calculations for this current fiscal year. I wonder if you could just give me an update as to what those numbers are.

Hon. Mr. Hagel: — Well, Mr. Chair, I thank the hon. member for his quick snapper of a question and I will do my best to provide a quick snapper of a response.

The formula was applied and the universities were advised that the \$3 million was distributed in the amount of approximately \$2.4 million to the University of Saskatchewan and then the balance of it went to the two federated colleges of St. Thomas More and Luther College — St. Thomas More at the U of S (University of Saskatchewan) campus and Luther College at the U of R (University of Regina) campus.

Mr. Hart: — Thank you, Mr. Minister, for that information. Mr. Minister, just a couple more questions dealing with the universities and then we will move on to another area. In speaking to the universities, they seem to . . . they have indicated that they have some problems with long-term planning. They seem to . . . there seems to be a lack of direction for the universities. They would more comfortable, I guess, and would be able to plan and work on program development and all the things that universities do, whether it be with research and that sort of thing. And I wonder . . . and along with that, of course they would need to have some stable funding. And I guess it's perhaps what I'm doing now, and I'm sure you've heard it from the universities as well, that in order for them to do some long-term planning they need to have some stability

and that I think has been lacking perhaps in the recent past and so on.

And I wonder if you could just give us a very brief indication as to what your government's long-term vision is for the universities and so on, and I said I would prefer to have the condensed executive summary in that area, Mr. Minister.

Hon. Mr. Hagel: — Mr. Chair, again I do appreciate the short, snappy little question. I do also commit to the member that I won't deprive him of any necessary information in the answers and I'm sure he'd be disappointed if I did.

But having said that, Mr. Chair, as we look forward at the role of the universities in Saskatchewan at this point in our time, in our history, we see both of our universities continuing to play an important role in the well-being of Saskatchewan people. We are engaged, as part of the process recommended by the MacKay report on the university revitalization, in the exercise of reviewing mandates of the universities together with them.

This was part of an ongoing process and we are responding consistent with the *Public Interest and Revitalization of Saskatchewan's Universities* paper that was released in 1996. This is all really quite public information in its reports in the past and as we go forward we will be working together with the universities to bring some clarity to that.

On the matter of funding, the hon. member will recognize, Mr. Chair, that over the course of the last three years, as has been said several times during this course of estimates, that the funding to the university, base funding, has increased in excess of 15 per cent over the course of the last three years. And I'll avoid the reference to comparative amounts, comparing one side of the House to the other unless of course the hon. member would like to go there in which case I'd be happy to respond.

Mr. Hart: — Well thank you, Mr. Minister, for that brief vision statement, I guess, and we won't go there tonight. We've already discussed university funding although I would probably just like to reiterate that we on this side of the House see post-secondary education as a very important issue, as very important to this province when we look at it not as an expenditure but as an investment, and we are certainly would be prepared to make investments in post-secondary education.

Having said that, Mr. Minister, I would like to ask a question dealing with research at our universities, and in particular research in relation to the Canadian Light Source that is currently being built on the University of Saskatchewan campus.

At the opening earlier, or this winter, of the building of the Light Source, I noticed that the Alberta people already have an Alberta Synchrotron Institute set up. They were there. They were talking to people. And there wasn't . . . I didn't see anything, I didn't see a Saskatchewan institute.

And I was just, my question is, are you . . . do you have any special initiatives or programs that you're thinking of putting in place so that we can be the benefactors of this complex that's being built?

My fear is that if we don't do something, you know, act and act quickly, that we will simply be the operators of this facility and we won't be users of the facility or users at a very low level, and I think we would really miss an opportunity if we don't become major users of that facility.

Hon. Mr. Hagel: — Again I thank the hon. member for his question, Mr. Chair. The significant amount of the investment in research will not actually be through the allocation of funds from the budget before us, Post-Secondary Education and Skills Training. Some is but maybe first of all before coming to Post-Secondary's involvement, I do point out to the hon. member that the province of Saskatchewan is investing \$25 million into the synchrotron itself, which is by no means a small investment. That through the Economic and Co-operative Development funds. And so I know that the hon. member will express some relief that we finally got those passed and that economic development and co-operation is alive and well in Saskatchewan again.

Also we do have a \$10 million matching fund that is available, also through Economic and Co-operative Development. The \$10 million that we have in that fund is to match the Canada Foundation for Innovation grants, much of which will be done, the large bulk of the research being done here in Saskatchewan is at our universities.

And so I know when I've talked to people in research, they appreciate very deeply that what we've implemented in this province is a fund that supports their applications to the CFI (Canada Foundation for Innovation) without having to do it separately and to convince two different adjudicators. And so that's \$10 million that over the course of the next four years, Mr. Chair, will support \$100 million in research activity.

We also do, through Post-Secondary . . . matching, through Post-Secondary . . . through Ec Dev, the matching support funding for the Canada research chairs, through Economic and Co-operative Development.

The universities as well then receive base funding. And the base funding, as the hon. member will know, Mr. Chair, goes to the operations of the universities which will include of course research activities. And I will point out as well . . . The hon. member asked with his first question about the university funding formula. One of the things about the university funding formula is that it is sensitive to the research activity to determine the apportionment of those funds granted to the university sector through Post-Secondary Education and Skills Training.

So when you put all of that together, I think that spells a pretty fair level of support for research. And research as I said . . . in Saskatchewan we're talking almost exclusively occurring at the universities. And I think it's also fair to say, when you look at the support for it then, Mr. Chair, that largely that is research that is not dictated by the province per se.

In addition to what I've referred of course, Health will be investing in health research at the University of Saskatchewan as well, and that'll be another significant investment. I don't have that number in front of me.

But when you roll it all together, because it comes from a number of different pools, in fact it is a more substantial number of dollars, millions of dollars being invested in research than perhaps we're inclined to think at first glance.

Mr. Hart: — Thank you, Mr. Minister. The question . . . I guess the follow-up question that I would have then is: are you aware of or is your government taking a leadership role with regards to the research specifically associated with the light source? And are you doing . . . Have you any initiatives or do you plan to take any initiatives to say perhaps create a Saskatchewan synchrotron institute or at least play a . . . maybe even you yourselves don't have to create it, I wouldn't think, but encourage that sort of thing. I wonder have you got any special initiatives in that area?

Hon. Mr. Hagel: — Mr. Chair, in response to the hon. member's questions, a lot of these questions would probably actually have been more appropriately put to the Minister of Economic and Co-operative Development when his estimates were here because this government's research activity largely is generated through that department rather than Post-Secondary. It's research which is housed at institutions that are funded by Post-Secondary, but the government's research, specific generation of funds will come through Economic and Co-operative Development. They will work together with the University of Saskatchewan, they are our lead department in the provincial government regarding the marketing of the synchrotron.

And I do want to advise the member as well that the Government of Saskatchewan, in a collaborative way, with the two lead departments being Economic and Co-operative Development and Post-Secondary and Skills Training, are developing an updated research strategy for the future. That's a work in progress and has not yet been released at this time.

Mr. Hart: — Thank you, Mr. Minister. I would now like to discuss for a moment the College of Medicine at the University of Saskatchewan.

As we all are aware, there has certainly been some problems at the college. And I believe earlier, the Minister of Health had indicated that your government is committed to working with the university and . . . working towards achieving their new health sciences facility and that sort of thing.

I'm looking at an article in *The Leader-Post* last March where it talks about the statements that Dr. Roger Pierson made with regards to the College of Medicine. And I realize, I think, that funding at that college in part comes from the Department of Health, but it also comes from your department.

And I wonder if you could just give us an indication as to any . . . how you are dealing with that crises there? What are your plans to address some of the immediate concerns that Dr. Pierson raised in his article?

(21:45)

Hon. Mr. Hagel: — Mr. Chair, first of all I do want to reassure the hon. member and the people of Saskatchewan that the Government of Saskatchewan considers the College of

Medicine to be an important part of the future of health care in this province.

So having said that — and it's maybe not necessary but better said than left unsaid perhaps — having said that, the hon. member raises a very important question and that's then where do we see the future of the College of Medicine here in the province? And the hon. member will be aware of some comments that have been made pointing to operational difficulties in the functioning of the College of Medicine.

It is important to note that the Department of Post-Secondary Education and Skills Training together with the Department of Health are active participants on the Health Services Advisory Council, which are also the two departments then very importantly acting together with the University of Saskatchewan and the Saskatoon and Health . . . Saskatoon and Regina Health Districts.

The Health Services Advisory Council is working hard and I would say constructively. And I would also suggest, Mr. Chair, effectively in the development or the development of a plan towards the development of a new sciences, Health Sciences Centre, part of which is of course the College of Medicine. The Saskatoon Health District and the University of Saskatchewan make up a joint management board which is looking at the very important matter of the operation of the College of Medicine, and there is some good work being done there, Mr. Chair.

The university has made a proposal for a health sciences facility, but quite admittedly the university has said it's been far from definite. And so I think the important thing is that the province of Saskatchewan, the Government of Saskatchewan, is actively involved in the review of the facility and is supporting that with input from the Department of Post-Secondary and Health and is working collaboratively with the health districts and the universities.

This will also, in my judgment, have to include some reference to the future of health care that Mr. Fyke has brought to our agenda before the Legislative Assembly, as the province of Saskatchewan looks to the future in the offering of health care and the certainty that we have not only good teaching taking place for health professionals, but also effective research that is targeted to the future needs of our Saskatchewan to provide a sustainable and quality health care system for the people of Saskatchewan.

Mr. Hart: — Thank you, Mr. Minister. I'm sure the people of this province are happy to hear that you are committed to that college and we certainly must work to ensure that that college remains vibrant and in fact grows and provides the doctors and continues to train the doctors that we so desperately need in this province.

And that leads me to my next question, and that is just a question of training spaces for health care workers, whether it be the NEPS (Nursing Education Program of Saskatchewan) program, or the medical technician programs at SIAST (Saskatchewan Institute of Applied Science and Technology), and those sorts of things. Are you looking at, because we are told that there's a shortage of nurses in this province and so on, what are your plans for training spots for the various health care

worker programs that your department is responsible for?

Hon. Mr. Hagel: — Mr. Chair, first of all as the hon. member raises the question regarding the planning of . . . training for health services, provision of health service providers in the future, it is important to note that the Department of Post-Secondary Education and Skills Training is an active participant in the Health Human Resources Council. The hon. member will recognize, I know, Mr. Chair, but perhaps not all those who are listening would necessarily know.

Post-Secondary Education and Skills Training doesn't just kind of sit in the back room somewhere and think up how many people do you think we'd like to fund for training in various professions at various places. Conclusions are drawn in many professions through consultations with the professions, and that's no less important in the area of health human resources planning.

And it is important as well, I think, Mr. Chair, before coming back directly to the member's specific question, to note that the Health Human Resources Council, while it addresses the important matter of training, it also addresses the other two important matters of recruitment and retention. Clearly the objective would be to train the appropriate number of people, ensure that we recruit the people that we need to provide our quality health care services to our citizens and to retain them in those positions.

Now on the NEPS, or the Nursing Education Program specifically, I do remind the hon. member that two years ago we increased the number of nurses being trained here in Saskatchewan from 180 up to 260. So an increase of 80 places in addition to the previous 180. So today in Saskatchewan each year we're admitting an additional 216 new trainees.

The hon. member will also be aware that with some discussions and the co-operation of the post-secondary institutions that the four-year nurse training program has got several variations including some that provide for training over the course of the summer months where the four years of accredited training can actually be achieved within three calendar years to assist in speeding up that process to graduates.

And I do point out as well, Mr. Chair, I was a part of making a very exciting announcement just two weeks ago, week before last, in northern Saskatchewan where what was announced is that this fall, this September, there will be 40 northern health access training spaces that will be put in place in Prince Albert that will accommodate 40 northern residents, the large majority of whom I expect to be aboriginal in ancestry, who will be taking the training program to prepare them to participate in health training programs.

Now I quite expect that the bulk of them will be interested in nurse training, and there is a strategy that's in place now looking forward to the introduction of an additional 40 nursing places in the fall of 2003.

But with that additional growth in the training then being targeted specifically for northern trainees to provide health care in the North in Saskatchewan, I think there's some real sound thinking in that, Mr. Chair, because it has been difficult for

northern Saskatchewan to recruit and retain the necessary people to provide good quality health care in the North, and that's part of the total picture.

So when you talk about NEPS, a couple of years ago we had 180 nurses each year going into training. So over the course of four years, 180 times four would be about 720 according to my rough math calculations. And that's now up to 260, so 260 times four means that we have over a thousand nurses in the training system at any given point in time, and we look at the distinct likelihood of having a strategy in place that gives that added by another 40.

So when we put that all together, Mr. Chair, I remain optimistic that within a couple of years or less we'll be having some 1,200 nurses in training in Saskatchewan in any given point in time.

And I think many would suggest that that's an appropriate number; but as I say, we have . . . if you're going to do this thing right, you've got to be looking not only at training which is a Post-Secondary Education and Skills Training activity, but also Health's involvement and our involvement as well in the matter of recruitment and retention.

Mr. Hart: — Mr. Minister, did I understand you correctly that there will be 40 new spaces, seats created to look after the initiative that you spoke about, nurses for northern Saskatchewan? There will be 40 new spaces; they won't be taken from the . . . taken out of the 260?

And I guess just one other question regarding the NEPS program. If in fact the advisory groups that you deal with suggest that we need to increase the nursing spaces rather quickly, do the training institutions — whether they be SIAST and the University of Saskatchewan — have they got that capacity now to expand, or do we need . . . I know we hear from the dean of the College of Nursing that they're working under duress in old facilities and that sort of thing. But I'm wondering, what capacity is there in the existing system for expansion, if in fact that recommendation came forth that we should increase the number of nursing seats by 50 as an example. Does that capacity exist now?

Hon. Mr. Hagel: — Thanks, Mr. Chair, and I appreciate the hon. member's question, chance to correct. I said previously I would hope in 2003; I really, I mean 2002. In 2001, the fall of 2001, there will be 40 northern health access seats. That's definite; that's in place; that's been announced.

And then there is a strategy in place that brings together actually a number of actors. The Saskatchewan Indian Federated College is really the lead institution on this and it brings together both First Nations as well as Métis Nation involvement, University of Saskatchewan, SIAST, working collaboratively with the Saskatchewan Indian Federated College.

So they are now working . . . With the announcement of the 40 health access spaces, they are working collaboratively now on a strategy with the objective of introducing 40 additional nurse training spaces in the fall of 2002. That would be held in Prince Albert and we do believe that there is capacity to take those additional numbers.

In terms of the system as it currently exists, the . . . right now, there isn't the current plan to be adding more than the additional 40 which, as I say, would bring us up to 300 entrance positions per year, and this whole matter of training has to be balanced with the matter of recruitment and retention. That's part of the total picture. And at this point in time, the plan to be expanding is focused on the northern nurse training.

Mr. Hart: — Thank you, Mr. Minister. That gives me a bit of an indication as to what will be happening in particularly in the nurse training program.

I would like to turn, ask a couple . . . or now turn to the area of student loan. I realize we have discussed this with Bill 29 and so on. There's just a couple of things that I would like to put forward this evening. One I guess is . . . It's an idea that was presented to me dealing with bursaries. Your department has monies allocated in the Student Aid Fund to deal with bursaries I believe, if I understand the process correctly. There was a suggestion made that perhaps some of those monies could be allocated to the universities and the universities could use them as bursaries, thereby not reducing the amount of dollars available to students in the form of bursaries. But it would have the effect of . . . I guess a couple of effects. It would probably keep the students at our universities because they'd only be eligible for a bursary if they were attending our two universities. And the other effect that may be useful, it would help in the *Maclean's* ratings.

And I just simply put those forward and I wonder if you would have a brief thought on that idea?

(22:00)

Hon. Mr. Hagel: — Well the short answer to the hon. member's question, Mr. Chair, is yes. Yes I do have a brief thought on the matter.

And what I would say, Mr. Chair, is this; is that this is a matter of which we've already had some discussion with the universities and will continue to. The hon. member is quite correct, Mr. Chair, in pointing to the bursaries as being one of the real strengths of the Saskatchewan student loan program and considered by many students to be therefore the best in the nation. And who am I to argue with that?

But this is a subject that we're looking at. We are sensitive as well to sometimes the artificiality of the *Maclean's* rankings, which is kind of interesting. Even though Saskatchewan has the most attractive bursary program in the nation on our student loans, when they do their calculations of the universities the way they choose to do; it is something that the universities don't — our universities — don't benefit from having acknowledged.

So we're looking at it. And if there is some way that we can manage to keep the same integrity of the bursary system and without inconveniencing the students and at the same time we're able to help our universities, then we're more than happy to do that. Also we would have to do that of course looking at the administrative implications and cost factors and so on.

So it's far too early to say just where we're going to end up. But

are we looking at it? The answer is yes.

Mr. Hart: — Thank you, Mr. Minister. I'm pleased to hear that you're looking at new ideas and explore some new options.

I'd like to now turn my questions to the area of skills training. I have a couple of questions dealing with a community-based organization that contacted myself and some other members of this caucus with some problems that they ran into with your department and this community organization is the Women of the Dawn. And as you well know, Mr. Minister, they're an Aboriginal women's organization that was formed back in 1993 to . . . and their first project was an awareness project where they focused on literary skills, computer skills, personal development, work placement, and so on.

And then the . . . Back in 1999 they tell me that they had to change their emphasis because of the funding from your department and they went into delivering career and employment services. And I believe in the year . . . last year they responded to a request for or they bid on or made a request to your department to supply community-based services and were turned down.

This had some pretty serious consequences for their organization. I have a letter in my hands dated March 7 from Barbara McLean to Ms. Ivy Kennedy, the president of their organization indicating that your department was going to . . . providing them with \$30,000 for transitional funding.

And subsequent to that I believe they have another request into your department, and they received a letter dated May 31 from Keith Landry of the career employment services outlining some conditions I guess that would be placed upon them if they were in fact to be successful to receive further funding from your department.

I guess, Mr. Minister, what I am asking at this time is that would you look closely at the three recommendations that are outlined in the May 31 letter to the Women of the Dawn, and if in fact that they can meet these conditions would you reconsider their request for funding to provide services to their community?

I have had limited contact with this organization and I see . . . you know I have seen some of the work that they do and it seems to me that they do provide a useful service. I certainly do not have a full complement of information, and I guess as I had indicated I would just ask you to look at this letter and if in fact they can meet those conditions that perhaps their situation be re-examined.

Hon. Mr. Hagel: — Mr. Chair, to the hon. member, first of all a direct answer and then if I may provide a bit of background and context for it. If the Women of the Dawn or for that matter any other community-based organizations, which were not successful in their bid to be selected in a request for proposal, but if the Women of the Dawn do meet those conditions, they will certainly be eligible to be considered for future contract with Post-Secondary and Skills Training.

Just to put this into context, Mr. Chair, one of the things that occurred with the transition of some of the Skills Training from

the federal government, Human Resources Development Canada, to the province, Post-Secondary Education and Skills Training, notice was given — goodness, this would be about two years ago — to the community-based organizations that what the province would be moving forward with is implementing a request for proposal process.

So that we were using a process of open public tendering and objective evaluation, and also with the potential then to fund longer term contracts than the typical CBO (community-based organization) contract of one year and therefore provide two things, stability to CBOs as well as predictability to the community.

And so the CBO community was given notice that we would be proceeding through this process and were given plenty of advance information about how it would work and be advertised and how they'd respond and how they would be evaluated. And then subsequently, for those who were successful in their response or request for proposal for career and employment services, meeting criteria that we're looking for in meeting the needs of citizens in each of the areas, the five areas of the province, those who were successful would have contracts.

Those who were not successful would meet with the department officials and learn specifically on what basis of objective evaluation was their application not considered to be the most successful. So they get the information about that. And subsequently as well, Mr. Chair, then they would be invited to be put on a list if they wished to be available for projects under \$100,000.

The request for proposal was on projects of \$100,000 or more, so larger ongoing. And in that regard the Women of the Dawn was not successful. Here in Regina, it's the Regina Open Door Society and the Regina Work Preparation Centre that had the successful bids in the request for proposal to provide the career and employment services.

So the Women of the Dawn then, just following through that process, had a meeting with department officials. Ms. MacLean, you referred to, would have been involved in that process to learn then on what basis was their tender not accepted and then were also advised about expectations and they will be eligible to be put on a list if there are calls for bids for contracts under the value of \$100,000.

I should add as well, it was also a decision of the department given that Women of the Dawn had been operating for some time that when they were not successful in being the successful bidder on the request for proposal, then they were provided \$30,000 in transitional funding to permit them to wind down their operations so that they were in a position to be able to be responsible to their own employees in their own organization.

Mr. Hart: — Thank you, Mr. Minister. I understand that your government has gone to an on-line bidding process. I believe it's called MERX or some acronym such as that. And I understand that that has caused this organization some problems. They didn't have the people with the technical expertise to put a proper request for proposal together.

And I would suspect perhaps that that may be a problem for other community organizations, that bidding process. And I'm wondering if there was some way of solving that puzzle for groups such as Women of the Dawn who have great difficulty getting people with computer expertise and that sort of thing to put this proposal together and that sort of thing? Is there any way or is there any other method that groups can complete these requests for proposals other than on-line?

Hon. Mr. Hagel: — Mr. Chair, maybe just to correct an incorrect assumption I think the hon. member is making. First of all the answer is, were they advertised on the MERX system on-line? The answer is yes, following the same system for open public tendering that SPMC (Saskatchewan Property Management Corporation) uses across the piece.

So we were using the standard process and it was an educational process both for the department as well as for the CBOs. But the bidding itself, Mr. Chair, was not done on-line. It was provided in writing in person by everyone. There were advance meetings so that . . . and all of the CBOs who were providing services were invited to attend them. There were workshops held to advise them as to how to apply.

Offers were made so that . . . The objective here was to make good, quality decisions in the best interest of those who needed services and making the best use of taxpayer dollars. It would be in nobody's best interest to have a CBO not be successful because of its inexperience in doing the RFP (request for proposal) response. And so that was clearly the objective was to ensure that everyone had the opportunity to avail themselves of a workshop and advice to guide their proposals.

The proposals were then submitted in writing and they were accepted and assessed then, after being received. And as I say there was feedback then provided to those who were not the successful bidders.

We did have some excellent presentations that were made and it would certainly seem that in my judgment that the advice provided in the workshops seemed to be on balance, I think sufficient looking at the quality of proposals that came in — you can only judge by that. Feedback is provided to those who were not successful. They're available to be on a list to . . . on smaller proposals in the future.

And also one of the things, Mr. Chair, I would say is that this is the first time the department has been through this exercise. Are we committed to making decisions about CBOs providing current employment services through an open public tendering process? The answer's a clear yes. Are we open to feedback about the process and how it might be able to be improved? The answer is also a clear yes.

And we would welcome the advice. If the hon. member would like to make comments to me, I'd welcome that, or any . . . and we do welcome them from all the CBOs who were involved. And we would also welcome inquiries or advice from CBOs who may not have been involved in this round, but might be interested at some time in the future.

Mr. Hart: — Thank you, Mr. Minister. I'd like to now deal with SIAST. I have a few questions with regards to the

operations at SIAST.

I guess I need some clarification from the minister. The board of directors at SIAST, are they appointed by yourself, Mr. Minister?

Hon. Mr. Hagel: — The board of directors are appointed by Executive Council upon the recommendation of the Minister of Post-Secondary Education and Skills Training.

Mr. Hart: — With regards to tuition fees at SIAST, will there be an increase in this upcoming academic year, and if so by how much?

(22:15)

Hon. Mr. Hagel: — I expect the tuition increase to be 9 per cent this year, and for the subsequent three years. The reason I say that, Mr. Chair, is because there is a clear policy in place at SIAST. The objective that was decided a little over four years ago . . . we're in the fifth year of an eight-year plan, so the objective when the plan was implemented — we would be going back to 1996 I believe — was that over the course of the eight years, there would be eight consecutive 9 per cent tuition increases. The intention was that at the end of that eight-year period, that the tuition would cover 20 per cent of the cost of operations at SIAST. So 20 percent would cover 20 per cent of the education.

Currently SIAST, the average SIAST student, through his or her tuition, would be paying something in the neighbourhood of about 13 per cent of the cost of the education. And so it would seem to me that it's not likely that after three more consecutive 9 per cent increases that it will be to . . . the objective of 20 per cent of the cost. I've asked SIAST to consider their policy regarding tuition after that eight-year period has elapsed and to be giving that some thought and to be making its recommendation to me. However we're still quite some time from coming to that point, and SIAST, to the best of my knowledge, has not yet deliberated on this point.

But short answer to your question, 9 per cent increase next year and for the three years following.

Mr. Hart: — Thank you, Mr. Minister, for that information. In this spring's Provincial Auditor's report, under chapter 5, dealing with your department, Mr. Minister, the auditor refers to a system of principles for performance reporting dealing with SIAST. In exhibit 1, the auditor outlines some principles for performance reporting, and I'm not going to go through each one of these and so on.

But I would like to either draw your attention to the item no. 2, performance and information should be reliable and it goes on to say that it should be neutral and fair and all those sorts. So just basically outlining that SIAST should be . . . when they are talking about performance reporting, they should present fair and reliable and unbiased information. And I would hope that that is the policy at SIAST. Can you . . . I understand that SIAST is working on this whole performance reporting area. I wonder if you could just briefly explain what is happening in that area.

Hon. Mr. Hagel: — Mr. Chair, to the hon. member, when he makes reference to the auditor's report, he will also likely note in there that the auditor acknowledges that SIAST has been working on this objective. It is clearly their policy to fulfill the objectives as stated by the auditor. They have been making progress, and the auditor has noted that progress has been made. And I think the auditor, if I remember correctly, formally indicated that he's been pleased with their efforts and the progress to date.

Mr. Hart: — I agree with you, Mr. Minister, that the auditor did indicate that progress was being made.

It has been brought to my attention, Mr. Minister, that there may be a bit of a problem in one of the courses offered at Wascana campus of SIAST; that's the electronics communications technician course.

I am looking at the program overview for 2001-2002. And under that course, and I'm not sure if your officials have this overview with them this evening, but it is on page 30. And it says that "this nationally accredited program gives students the practical and analytical approach to most phases of the electronic communications industry. The program is accredited at a technician level by the Canadian Technology Accreditation Board." And further on down it indicates that there are four options under this particular program.

And by reading the information that's presented here and also in the calendar, it would give one the impression that all the options are nationally accredited. And in fact, Mr. Minister, that isn't the case. I have a letter here from the Canadian Technology Accreditation Board, which indicates that only the radio communication and telecommunications are the only two options that are nationally accredited.

And so there is a problem. There are students . . . I know there are students who have applied and started this course with the idea, thinking that all the options were accredited, and then partway down into their studies they were given information saying that in fact isn't the case. I wonder, first of all, are you aware of this situation and if you are, what steps can be taken to remedy this situation?

Hon. Mr. Hagel: — Mr. Chair, I . . . we don't have the document that the hon. member has in his hand here tonight to make reference to but this is not a circumstance with which I am personally familiar and I will want to . . . I'm glad the hon. member has put his remarks on record in *Hansard* which will assist as well and I will certainly want to look into the matter personally.

Mr. Hart: — Mr. Minister, I have been told that that isn't the only problem with this particular course. This is a competency-based learning course. It's a course that students, if I take it from that, progress at their own speed and so on.

And the course is indicated in the calendars that students should be able to complete the course within 65 weeks. I am also told that there are very few students that are actually able to complete the course within the allotted time. And those students that do complete the course do it by working in teams and therefore a number of students probably don't get the hands-on

experience that is required for them once upon graduation to actually go out and repair electronic equipment and that sort of thing.

The success rate in this course is low. You can buy . . . and some of this information comes out of SIAST studies and that sort of thing. And I guess I am asking you to look into the, into that course, and talk to SIAST and see if some of these problems can be rectified, Mr. Minister.

Hon. Mr. Hagel: — Mr. Chair, I thank the hon. member for bringing the question to my attention and I will ensure that the officials of the department will look into this expeditiously. Thank you.

Mr. Hart: — Mr. Minister, I guess a number of questions that I'd like to pose and I realize you probably won't have the answer, but I would appreciate perhaps some . . . that you could provide me with the information at a later date.

Again, dealing with this particular course. What is the percentage of students that enrol in the course; what percentage actually graduate? That would be one question, Mr. Minister, that I would appreciate an answer to.

What is in fact the average length of time that the students do take to complete the course? That would be another question that I would have.

And also, does SIAST have or your department have any indication as to the success of the graduates once they enter the workforce? Do the graduates actually . . . are they trained and do they meet the job requirements that they are supposedly being able to fill with their training? I understand there are some serious problems in that regard . . . (inaudible interjection) . . . of this particular course, of the electronic communication technician course.

Hon. Mr. Hagel: — Thanks, Mr. Chair. I appreciate the hon. member's question and I commit to respond to him in writing on those questions.

Mr. Hart: — I guess one other concern that I would raise, Mr. Minister, at this time, is that there's some internal documents from SIAST that were dealing with this particular course. And when the faculty was asked about this particular course . . . the question, if I understand it correctly, the question was posed to faculty: would you recommend this course to students?

And there was a number of answers given by faculty. And some of them ranged . . . some of them said that we would . . . the faculty would recommend the course to students if they wanted to keep their job. Those kind of statements were made. So I take it from some of those responses, Mr. Minister, that there may be some serious problems with this particular course and I'd appreciate your . . . I'll be looking forward to your responses on some of these things.

Hon. Mr. Hagel: — Mr. Chair, as I've already committed to the member, I'd be happy to respond to him. And I think this is a matter that I can say with some confidence that SIAST would take very seriously.

The reason I say that is because the track record of graduates of SIAST indicates a very high level of success, measured in terms of employment within six months of graduation.

If I remember the numbers correctly, Mr. Chair, in the survey of grads from the year 2000, of those graduates seeking employment within six months of graduation, SIAST-wide, some 93 per cent were employed — 82 per cent, if I remember correctly, specifically in their field of training and 93 per cent of them employed right here in Saskatchewan.

And if I remember as well, the rate of satisfaction of the schooling . . . of the school, I should say, I think it was 97 per cent of those students who responded — graduates who responded, indicated that they rated their training as good to excellent. And so the circumstances the hon. member paints here, that I take and will look at very seriously, are really quite out of sync with what would be typical of a SIAST program. And we'll certainly want to look at that. And I commit to the member, I'll respond to him expeditiously.

Mr. Hart: — Thank you, Mr. Minister. I would . . . there has been a problem, or at least some very serious concerns that were raised with me dealing with another course at SIAST. And that's the media communications program which began in . . . I think it's a fairly new course. And again it's structured very similar. It's a competency-based program . . . (inaudible interjection) . . . It's media communications.

And I have a letter from a Ms. Sandi Niethercut outlining her problems with the course. According to her letter, in December '99 the program . . . I'm not . . . she was one of seven students in this program. In December of '99 the program discontinued three of us, she says, three quit voluntarily and one met the alleged 80 per cent policy criteria, which allowed him the option of returning to finish.

So it seems like there are, you know there are . . . this is another one where there may be some problems. And I would appreciate you, Mr. Minister, looking into this course also and seeing if there are some serious problems and making the necessary adjustments so that students can complete the courses, so that they know what they're looking at when they go and apply for the course and they're told upfront all the requirements of the course and those sorts of things.

Because what happens to these students, they enter the course, the information . . . they're given more information about the requirements of the course as the courses go on and they've invested a lot of time and a lot of money. And they don't get any . . . they're fail . . . they can't complete the course and it creates some real hardships for the students. And again I would just implore you to look at these two, these two options.

And there may be others out there. I would suggest perhaps SIAST maybe do a review of some of these courses because everything isn't roses there, Mr. Minister.

Hon. Mr. Hagel: — For the hon. member's information, SIAST reviews its courses every five years as standard practice. And I am aware that SIAST did a review of the program and its procedures after Ms. Niethercut's complaint was registered. And I do commit as well to the hon. member, Mr. Chair, that I

will inquire about the effectiveness and the appropriateness of the course, as it currently exists.

Mr. Hart: — Thank you, Mr. Minister. I believe there was an order in council dealing with the Saskatchewan Communications Network in last fiscal year. I believe there was some 240,000 additional dollars allocated to that . . . to SCN (Saskatchewan Communications Network). I wonder if you could give me a reason why those additional dollars were required.

Hon. Mr. Hagel: — Mr. Chair, the figure that the hon. member refers to relates to the costs involved with a renewed contract for technical services where the contract, when it was renewed, ended up being for a larger amount than had originally been estimated.

Mr. D'Autremont: — Thank you, Mr. Minister. I'd like to welcome the minister and his officials here this evening. I don't know if the minister heard my questions that I was asking the Minister of Education. I hear the minister shake his head in the negative.

Mr. Speaker . . . excuse me . . . he used to be Mr. Speaker. Mr. Minister, the questions I was asking the Minister of Education also relate to post-secondary education in dealing with special needs students, people with disabilities and handicaps.

What's required from them in attending university for the university . . . perhaps not so much for a university but certainly for a K to 12 system. For funding they need documentation that outlines their disability, what their mobility is, etc. etc., what they can do, what adaptive measures need to be taken. To do that they need to get documentation that outlines that for the courses they want for the institution that they're attending.

My question to the minister was why doesn't the department coordinate that rather than simply having to do this over and over again? The parents, the student, and the doctors involved have to keep writing the same letter over and over again.

Does your department coordinate those kind of documents or is it again an exercise in frustration for the people involved that every time they turn around they need to get another copy of the same letter again from the medical people involved?

Hon. Mr. Hagel: — Mr. Chair, to the hon. member, in the post-secondary system the institutions are more independent of each other than would be what we would think of I guess in the system, the K to 12 system. Each of the institutions, the universities or SIAST, have their own individual policies, and so what is required of an individual would relate to their assessment about the necessary information in order to meet the needs in that particular institution.

But the short answer to your question is that there therefore is no coordination that exists by the department or through the sector because the institutions are responsible for their own policies in this regard.

Mr. D'Autremont: — Well, Mr. Minister, the Department of Education has no coordination either. Left hand doesn't know what the right hand is doing there on this particular issue. And it

seems it's the same way with the post-secondary.

For a Saskatchewan student there is no reason why the information, if gathered . . . and it isn't being gathered today other than at the local level in the K to 12 system, but the minister indicated that he would take a very serious look at doing that within the K to 12 system — that a student who comes forward, provides their documentation, wouldn't have to do this over and over and over again.

If that department does gather that information, is there any reason why the Post-Secondary Education department couldn't also access that information? That the only time there would be a need to update that would be when changes occurred, rather than in the case of the K to 12 system you provide it initially at the beginning of the year, then for grade 12s when you do departmentals, you have to provide that same letter over again, which is just a duplicate basically of the one that you had provided earlier, but you still have to go back to the medical professionals to get it.

Why can't this be done once and it saves a lot of frustration for everybody involved?

Hon. Mr. Hagel: — Mr. Chair, I want to thank the hon. member for his recommendation. It is consistent with the recommendation that I had previously received — I guess it'd be a little over a year ago — with the regional colleges' review, where in that review it was being recommended that the students' information should follow the student. I think that's the point that the hon. member is making.

We are working together with Health, Education, Social Services, and the . . . I do take the suggestion as a point legitimately made, and do commit to the member that it's something we'll follow up on.

There are a couple of ways that the member may take some comfort in knowing that the information does, quote: "stay with the student." If we have a student who is applying for employability assistance for persons with disability — the EAPD (employability assistance for people with disabilities) program — then that information once received stays with them.

I think it may be true to some extent that what the hon. member wishes to see happen is occurring, but the hon. member I think legitimately makes the recommendation that this should be occurring to a larger extent and this has been recognized by others as well, and certainly I think would be perceived by people with disabilities as a sign of progress in order to achieve a greater consistency in that regard.

Mr. D'Autremont: — Well thank you, Mr. Minister. I note in the paper over the weekend talk about Saskatchewan's disability action plan. I know that you're supposed to be looking at things through a disability lens, but I think in a lot of cases your lens is pretty dirty — that it's not working, Mr. Minister. And this is one of the examples of it not working. I have a letter here that states:

Students identifying themselves to the university as having special needs and requiring adaptation related to their

disabilities are required to present documentation prepared by professionals qualified to assess the specific disability.

Dated June 12.

Now that information has all been provided in the case of my son — this is what the letter relates to — to the K to 12 system, not once, Mr. Minister, but a number of times, because he had to supply that just lately for his departmental exams. So the information is in the system, but your system doesn't track it well enough to provide the service to disabled people.

So if my son is experiencing this, every other person with a disability is experiencing the same thing. And it becomes very frustrating to have to go back to your doctors and to your physiotherapists and say, I need another letter because some bureaucrat some place . . . It is easier to simply ask for another letter than it is to get it out of the file system, Mr. Minister. So I think this is one of the areas with disabilities that the government is failing and it needs to be corrected.

Hon. Mr. Hagel: — Mr. Chair, I am advised by officials that the kind of circumstance the hon. member refers to, with a student moving from grade 12 to the post-secondary system, that if the student requests that that information be forwarded from the school to the post-secondary institution, that that can and will be done.

However, Mr. Chair, I think that's not precisely the point the hon. member raises. And I know he raises it not specifically in the context of his own son, who I know personally and for whom I have a great deal of admiration, but it's a general issue that he raises. His knowledge is personal because of his own family circumstances. I acknowledge that. And I simply thank the hon. member for raising it and take his recommendation to heart.

Mr. D'Autremont: — Well, Mr. Minister, if it's the case that you can transmit the documentation from the high school to the university, why doesn't it say that in the letter? It simply says you have to go out and get a new letter. Now if you can use the information that was already provided to the high schools, then it should say that in the letter, that that documentation will be acceptable and please forward it to us.

Hon. Mr. Hagel: — I thank the member for making that point and I will pass that word of advice along to the universities.

Subvote (PE01) agreed to.

Subvotes (PE02), (PE03), (PE04), (PE07), (PE05), (PE06) agreed to.

Vote 37 agreed to.

**General Revenue Fund
Lending and Investing Activities
Post-Secondary Education and Skills Training
Vote 141**

Subvote (SA01) agreed to.

Vote 141 agreed to.

**Supplementary Estimates 2000-01
General Revenue Fund
Post-Secondary Education and Skills Training
Vote 37**

Subvotes (PE03), (PE05) agreed to.

Vote 37 agreed to.

Hon. Mr. Hagel: — Mr. Chair, before moving to report progress, I want to say thank you to the members of the opposition for their prying, curious . . . one of the principles of education is that it is wise to respond when curious minds want to know. And curious minds have wanted to know and we hope that we've been able to respond appropriately to the questions asked.

Quite seriously I do want to thank the opposition for their questions and for their commitment to Post-Secondary Education and Skills Training. And in particular the critic for . . . the member for Last Mountain-Touchwood and the work that he's done in that regard.

I'd also, Mr. Chair, like to say thank you to the officials who are with me here in the committee this evening and who have aided in answering the questions and also through them, Mr. Chair, to say thank you to all of the officials of the department. In the time that I have served in this portfolio I have come to hold an extremely high regard the professional commitment of the employees of the Department of Post-Secondary Education and Skills Training and express my appreciation to them and would ask that the members of the committee do so as well.

Mr. Hart: — Thank you, Mr. Chair. I would like to thank the minister and his officials for answering our inquiring questions and providing us with the information. I certainly have found the minister and his staff very helpful in providing the information and working with them. And certainly I look forward to doing this again. Thank you.

The committee reported progress.

The Assembly adjourned at 22:49.