

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Draude: — Thank you, Mr. Speaker. I'm pleased today to stand and read a petition from residents who are concerned about long-term care rate increases. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

The people that have signed this petition are from Rose Valley, Archerwill, Wadena, Naicam, Spalding, and Elfros.

Mr. Gantefoer: — Thank you, Mr. Speaker. I too rise on behalf of people from my constituency concerned about the long-term care fee increases. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

Signatures on this petition are from the communities of Tisdale, Zenon Park, and Melfort.

I so present.

Mr. Toth: — Thank you, Mr. Speaker. As well, to present a petition regarding long-term care fees, and reading the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

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

The petition I present is signed by the people from the good community of Yorkton.

Mr. Stewart: — Thank you, Mr. Speaker. I rise to present a petition on behalf of citizens concerned with fee increases for long-term care services, and the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

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

This petition is signed by individuals from the community of Rose Valley.

I so present.

Mr. McMorris: — Thank you, Mr. Speaker. I too have a petition on behalf of citizens regarding the problems in long-term care in this province, and the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

As is duty bound, your petitioners will ever pray.

Mr. Speaker, there is a long lineup here of people that have signed from the city of Yorkton.

Mr. Wall: — Thank you, Mr. Speaker. I rise as well on behalf of concerned Saskatchewan residents on the issue of long-term care fees and the hikes imposed by the current government. The prayer . . . the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

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

Mr. Speaker, the petitioners today come from the great community of Rose Valley, Saskatchewan.

I so present.

Mr. Brkich: — I have a petition here with citizens concerned about the petition . . . the crop insurance and premium hikes.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of the crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens of Imperial.

I so present.

Mr. Wiberg: — Thank you, Mr. Speaker. I have a petition this afternoon signed by residents of Saskatchewan who are in long-term care homes and are already on very limited and restricted incomes. Mr. Speaker, the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

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

Mr. Speaker, this petition is signed by the good people of Prince Albert.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also rise today to present a petition from citizens concerned about increased long-term care home fees. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

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

Signed by the good citizens from Rose Valley and Quill Lake.

Ms. Harpauer: — Thank you, Mr. Speaker. I too have a petition with citizens concerned about the increase in long-term care homes. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

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

And the petitioners are all from the city of Yorkton, Mr. Speaker.

Mr. Hart: — Thank you, Mr. Speaker. I too rise in this Assembly to present a petition on behalf of citizens concerned about . . . with the exorbitant increase in long-term care fees. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

As in duty bound, your petitioners will ever pray.

And signatures to this petition come from the communities of Dysart and Cupar.

I so present.

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I rise in the Assembly also to bring forth a petition regarding our seniors and the exorbitant fees that's been imposed on them by this government.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

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

And the signatures, Mr. Speaker, on this petition are from Chitek Lake, Victoire, Shellbrook, Parkside, Shell Lake, and Holbein.

I so present.

Mr. Peters: — Mr. Speaker, I have a petition signed by citizens of the province that are concerned about the hike in the long-term care homes. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term services in Saskatchewan.

Mr. Speaker, the petition is signed by the folks of Yorkton.

I so present.

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, I rise today with a petition from citizens of the province who are very upset with the long-term care fees. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the exorbitant fee increases for long-term care services in Saskatchewan.

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

And, Mr. Speaker, this petition is signed by the good citizens of Yorkton.

I so present.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and are hereby read and received as addendums to previously tabled petitions being sessional papers no. 17, 18, 22, and 31.

Clerk: — According to order and pursuant to rule 12(7) the following petitions for private Bills were read and received:

The Conference of Mennonites of Saskatchewan in the province of Saskatchewan praying for an Act to amend its Act of incorporation and to change its name; and

The Sunnyside Nursing Home in the province praying for an Act to amend its Act of incorporation and to change its name; and

The Saskatchewan Association of Rural Municipalities in the province praying for an Act to amend its Act of incorporation.

NOTICES OF MOTIONS AND QUESTIONS

Ms. Draude: — Thank you, Mr. Speaker. I give notice that I shall on Wednesday next move first reading of a Bill, The Fetal Alcohol Syndrome Awareness Day Act.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Speaker. I give notice that I shall on day no. 31 ask the government the following question:

To the Minister of Highways and Transportation: how many accidents involving Department of Highways vehicles and equipment occurred in the year 2001; and further to that, how many of these accidents were the result of department vehicles or equipment being rear-ended by other drivers?

Mr. Speaker, I have similar questions for the year 2000 and the calendar year 1999.

Some Hon. Members: Hear, hear!

Mr. Allchurch: — Thank you, Mr. Speaker. I give notice that I shall on day no. 31 ask the government the following question:

To the Minister of Highways and Transportation: can the minister please provide a detailed breakdown of the costs involved, including labour, for the 236,578 it cost to fix two culverts west of Spiritwood on Highway No. 3 in the 2001 year?

INTRODUCTION OF GUESTS

Mr. Van Mulligen: — Thank you, Mr. Speaker. Mr. Speaker, tomorrow, April 23, is Canada Book Day. And in recognition of that day and also in celebration of their 10th anniversary, the Saskatchewan Book Awards is hosting a display in the rotunda of award-winning books by Saskatchewan authors and publishers.

The members are invited to . . .

The Speaker: — Order, order. Is there . . . Is there . . . Is there an introduction coming?

Mr. Van Mulligen: — There is, Mr. Speaker.

The Speaker: — Thank you. The member may proceed.

Mr. Van Mulligen: — There is an introduction. The members are invited to stop by and discover the wonderful variety of books. And should they have any questions, Mr. Speaker, they are encouraged to direct those questions to a person I should like to introduce to you and through you to the members of the Legislative Assembly. And that person is the executive director of the Saskatchewan Book Awards which, Mr. Speaker, *Quill & Quire Magazine* says is arguably the best run writers' event outside of Toronto's Giller Prize. And I would ask all members to welcome the executive director, Joyce Wells. Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

Mr. McCall: — I'd like to introduce guests, Mr. Speaker. I'd like to introduce to you and through you to the members of this legislature, two very important people from Regina Elphinstone. One is my father, Douglas McCall, and the other is my constituency assistant Colleen Smith.

Now it's often remarked upon in this place the importance of family and staff in terms of, you know, keeping us sane and serving the people that have elected us to represent them in this place. And I'd certainly echo that sentiment, Mr. Speaker.

Anyway, if we could please give them a warm welcome. They follow it on television quite often, but here they are, live and in concert. Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

Ms. Jones: — Thank you very much, Mr. Speaker. Mr. Speaker, I'd like to introduce to you and through you to all members of the Assembly, a trade union brother of mine, a constituent of the Premier's.

And Danny and I have — his name is Danny Wirl — and Danny and I have worked on many committees together, not the least of which have been many election campaigns. And in my opinion he is the best campaign manager in all of Saskatchewan, bar none.

I introduce you to Danny Wirl.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Rocanville Business Community

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, this past Friday I had the pleasure of joining the Rocanville business community and many of its residents in the official opening of the . . . and grand reopening of three businesses in the community.

Mr. Speaker, The Hair Company and Julie's Bakery, Deli, and Cafe officially opened their doors for business, while Donna Jack's Gallery and Gift Shop reopened their doors in a much expanded premises.

Mr. Speaker, we've all heard about the community of Rocanville — just a few businesses that have worked so diligently to really enhance their business community and their main street. And these three businesses, Mr. Speaker, just add to the main street, the official opening. And what they do, Mr. Speaker, is they add to the vibrancy of that community.

And as I was talking to many of the residents, they talked about what a tremendous job the business community has done for their town, certainly their main street, and how they've enhanced it.

Earth Day

Mr. Toth: — Mr. Speaker, as well I would like to take a moment to recognize Earth Day. It's important that we recognize the volatility of the environment we live in and the ongoing need to remind people of the importance of protecting our environment for future generations.

Some Hon. Members: Hear, hear!

(13:45)

Leroy Agra-Pork Co-op

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. This

Saturday I was very pleased to speak at the official grand opening of the new state-of-the-art \$40 million hog development near the town of Leroy, a co-operative venture between Leroy Stomp Pork Farm Limited and the Leroy Agra-Pork Co-op.

The 100 members of the Leroy co-op is the first new generation co-op to be involved in the pork production in Western Canada. And this is a very significant development indeed, Mr. Speaker. The community raised in excess of \$2 million in less than 48 hours, Mr. Speaker.

Four feeder barns are being built to complement the sow farrow-to-nurse barn operation. When fully operational later this year, the facility will be capable of producing up to 130 hogs . . . 130,000 hogs a year.

I was one of 600 people attending, Mr. Speaker, along with the member from Watrous. Mr. Ivan Stomp of Stomp Farms and Mr. John Cales of the co-op informed the crowd of the 100 jobs that were created during the construction period, Mr. Speaker, and the 50 full-time jobs that will be required during the daily operations when the barns are fully operational.

A new constructed feed mill will take delivery of over 3 million bushels of grain produced in the local co-op members. And the spin-off benefits to local economy goes without saying, Mr. Speaker.

As we say on this side of the House, this is more good news for Saskatchewan, Mr. Speaker. I want to congratulate the partners for this exciting venture, and for further proof, Mr. Speaker, that the province is an opportunity, a great place to invest and do business and to grow our agricultural economy, Mr. Speaker.

Some Hon. Members: Hear, hear!

Bob Rae Criticizes New Democratic Party

Mr. Wiberg: — Thank you, Mr. Speaker. Mr. Speaker, there is more good news not only for Saskatchewan but all of Canada. That news, Mr. Speaker, is that there is one less member of the NDP. It seems a former premier of Ontario, an NDP (New Democratic Party) mainstay, has finally seen the light.

In a letter to the editor in last week's *National Post*, Bob Rae said he has had enough. Like many people around Saskatchewan and across Canada, Bob Rae says the NDP is not worthy of his vote any more.

In the letter, Rae states that the NDP policy is not a vision of social democracy worth of any support. This truly should not come as any real surprise, Mr. Speaker. In the last federal election the NDP was lower in voter percentage than the margin of error. We saw what happened in British Columbia to the NDP and the long downhill slide the New Democrats in Saskatchewan started in the 1999 provincial election — the story which will be concluded, Mr. Speaker, in the next election.

So, Mr. Speaker, the NDP now a national party of irrelevance, and threatening with becoming irrelevant in Saskatchewan, we can only wonder that after Bob Rae has quit . . . And we look

across the floor and ask ourselves who's next.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

National Volunteer Week

Hon. Mr. Lautermilch: — Mr. Speaker, thank you very much. I'm next to speak today.

The week of April 21-27 is National Volunteer Week and I want to recognize the value of all Saskatchewan volunteers by informing the House of a particular example of volunteerism in our hometown of Prince Albert, Mr. Speaker.

Friday night our Premier joined us at a fundraiser for the 10th National Summer Special Olympic Games to be held in Prince Albert from July 8 to July 14. We expect over 1,300 athletes, coaches, and supporters in 21 different sports to participate in the games.

And I want to say this was an excellent way to kick off our preparations. First, Mr. Speaker, the Premier volunteered his time at a dinner normally used as a party fundraiser, for the Special Olympics. We raised \$8,000 and that's not a bad start — not a bad volunteer. We also heard the new theme song for the games written by Barry Mihilewicz and sung by Heidi Munro-Scarrow.

Mr. Speaker, the Saskatchewan Special Olympics, itself a volunteer, non-profit society — its provincial representatives in the Prince Albert community deserve our respect and our undivided support for the work they do.

Mr. Speaker, I know all members will join me in encouraging our Chair, Phil Fredette, as well, Crystal LaVallee — who by the way, Mr. Speaker, is my favourite volunteer — and the many dedicated volunteers who sponsor and who will make this the best Olympics in Canada yet.

Some Hon. Members: Hear, hear!

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, I also would like to rise, along with the Minister of Industry and Resources, to recognize National Volunteer Week, April 21 through 27.

Mr. Speaker, our volunteer sector has made Saskatchewan the envy of every other province. In fact on a province-by-province comparison, Saskatchewan boasts the highest volunteer rate in the country — an astounding 42 per cent.

Mr. Speaker, this 42 per cent is a very important number, not only because it represents thousands of volunteers from all ages and walks of life who on a regular basis willingly give of their time and efforts to many worthwhile causes, but it also speaks volumes about the compassionate and dedicated nature of Saskatchewan residents.

Mr. Speaker, the theme for this year's National Volunteer Week is Experience Matters and this highlights the important role that volunteering can play in our lives. We are all aware that by

volunteering, and no matter what age we might be, we gain valuable experience and insight. For older adults, their lifetime of knowledge and skills is put to good use in the volunteer sector. For young people, working in the volunteer sector represents an ideal opportunity to gain experience and to develop a network of close friends and contacts.

In fact, Mr. Speaker, in a recent survey, 78 per cent of youth looking for work felt that volunteering would help them get a job. This ties in very nicely, Mr. Speaker, with Saskatchewan Party's plan to grow the province.

Mr. Speaker, we encourage all levels of government to support opportunities for young people. Thank you.

Some Hon. Members: Hear, hear!

Earth Day

Mr. Kasperski: — Thank you, Mr. Speaker. Mr. Speaker, it's Earth Day — what many consider the world's largest environmental event.

Earth Day was established and launched in 1970 by the governor of Wisconsin of the day, Gaylord Nelson. The first Earth Day celebration involved 20 million people who took part in various projects that addressed decades of environmental pollution.

Mr. Speaker, each year the number of people participating in Earth Day grows and people in Saskatchewan are doing their part. In Saskatoon the celebration includes clean-up week where volunteers register to clean up parts of the city. This is all sponsored by the Meewasin Valley Authority and the Saskatoon Credit Union. On the other side of Saskatoon, the South Nutana Park Community Association is holding its second reuse fair.

Mr. Speaker, the Prince Albert Earth Advocates, a non-profit organization, held its third annual Earth Day celebration yesterday. There was a march from the city hall to Kinsmen Park in the city.

In Regina, the Royal Saskatchewan Museum began its Earth Day celebrations yesterday with activities including an Earth Day trivia contest for people of all ages and a presentation on burrowing owls.

Finally the Moose Jaw Museum & Art Gallery is hosting earth . . . an Earth Day poster competition for all children in the city.

Mr. Speaker, Earth Day is for everyone. It's a time when we can celebrate . . . we can all join in celebrating the wonders of our precious home, mother earth. And it is our hope that this celebration will not be restricted to just this day but all throughout the year. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

North Battleford Heritage Christian School Fundraiser

Mr. Weekes: — Thank you, Mr. Speaker. Recently I had the pleasure of attending a fundraiser for the North Battleford Heritage Christian School. The purpose of the society is to

promote and provide Christian education based upon the word of God and upon their stated philosophy and goals.

Dedicated parents and staff have overcome many obstacles and challenges to continue offering a Christian education to their children. I would like to congratulate board members, parents, and staff on another successful year and a very successful fundraiser

Many thanks must go, Mr. Speaker, to a number of people including chairman, Rob Bargaen; vice-chair, Janice Whitbread; treasurer, Rodney Cox; secretary, Darcy Umpherville; board members, Brian McGifford, Leo Roussel, and David Stade; staff members, Peter Halvorsen and Marilyn Updike and Marian Litke; parent association chairperson, Cheryl Glass; vice-chair, Ramona Bargaen, and secretary, Karen Sidebottom.

Please join me in congratulating the Battleford Heritage Christian School on another very successful year.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Increase in Long-term Care Fees

Mr. Hermanson: — Thank you, Mr. Speaker. I have a follow-up question for the Premier. Last Friday during question period, the Premier stated that the proposed increase in long-term care fees would affect, and I quote him:

. . . the more wealthy of our seniors who are in long-term care.

Well I would like to know and I'm sure the people of Saskatchewan would like to know how much your annual income should be to be considered wealthy in this province?

Mr. Speaker, at what level of gross annual income does the Premier deem a person to be wealthy?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, the long-term care fee proposal in the budget deals with those people who have more income who could be identified as those that have, have a higher income and ask them to pay a bit more in our system.

And what the amount is, basically, is that if a person earns \$52,000 or more, they will pay the top amount that's in this system. And \$52,000 is income . . .

The Speaker: — Order. Order, please. Order, please. I would ask members to refrain from interrupting.

Hon. Mr. Nilson: — And basically what we're doing is asking those people with that level of income or greater to pay a maximum amount of \$3,875. This amount is calculated based on the total income on your tax return and that's the figure that's there.

If you . . . if there are some difficulties with dealing with some of the expenses, then it is possible for people to go to the

Department of Health for a review of their income situation as to how they can pay the amounts requested.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. Does the Premier consider someone whose gross annual income is \$19,000 to be a wealthy person?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, what we're looking at in our system is looking at the long-term care fees, and we're asking those people who have a sum of money which is greater than the ones on the very bottom, which basically are defined as those people who are getting their old age security . . .

The Speaker: — Order, please. Order. I've asked the members just to refrain from interrupting. I expect members to do just that.

Hon. Mr. Nilson: — The basic payment for long-term care is . . . deals with the people who receive the old age security plus a senior's supplement. And that is the bottom line. Those people, about 3,000, there's no change at all that takes place.

People with more income on a . . . based on ability to pay will be asked to pay more. And what we are doing, Mr. Speaker, is asking for some of these people who when they're in long-term care have basically almost 100 per cent of their costs covered, we're asking those people to contribute from their income — not their assets but their income — to help pay for the care.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. I want the NDP to listen up. The National Council of Welfare draws the poverty line at a gross income of \$15,000 for . . .

The Speaker: — Order, please. Order, please. Order. Order, please. Would the member start over?

Mr. Hermanson: — Thank you, Mr. Speaker. I want the NDP to listen very closely. The National Council of Welfare draws the poverty line at a gross income of \$15,000 for a single person living in a city like Saskatoon or Regina. Yet under the NDP's new long-term care fee structure this senior citizen is determined to be wealthy enough to be able to afford a fee increase of 10 per cent.

Now, Mr. Speaker, a person whose income is up to \$17,000 a year is having their long-term care fees increased by 16 per cent. That person's fees are going up \$2,000. Now a person with an annual gross income of \$19,000 a year will face a 21 per cent increase in their long-term care fees — an increase of over \$3,000.

It's unbelievable, Mr. Speaker. Will the Premier explain when he decided that a senior citizen whose gross income is under \$20,000 is a wealthy person?

Hon. Mr. Nilson: — Mr. Speaker, as I've said before, this budget increases the amount of money paid for long-term care

by \$10 million to \$337 million. And what I would ask that member opposite is, why didn't he use that same speech when he was talking about the minimum wage? Because it has more applicability to that particular situation than what he's talking about now.

On this side of the House, we work with those people who are at the bottom end of the scale, make sure that they have their services covered. And in certain circumstances like these long-term care charges, we're asking those people who have a little bit more money to contribute a greater share.

But even at the top end of the scale, the person that has a huge income, they still get a subsidy of about 200 or \$300 a month, and we will continue to do that because what we want to do is make sure we have a system that covers all of the people in this province.

Some Hon. Members: Hear, hear!

(14:00)

Mr. Hermanson: — Thank you, Mr. Speaker. Yes, the NDP does grab taxes from people that are earning minimum wage. But more despicable, Mr. Speaker, is the fact that they are now grabbing taxes from senior citizens who are in long-term care.

Mr. Speaker, the NDP keeps saying that the hike affects only 120 people who are at the very top level, the maximum level, of the increase. But, Mr. Speaker, the Minister of Health said in estimates on Friday that about one-third of the province's 9,000 long-term care patients are at the minimum level — the minimum fee level. So that leaves 5,000 seniors who will see a fee increase of at least \$1,000 and as much as 26,000 more dollars a year for long-term care help.

Mr. Speaker, this fee is not just affecting wealthy people. This fee increase is affecting most seniors that are in long-term care.

I ask the Premier: will he do the right thing, and reverse this cold-hearted, callous decision? Will the NDP agree to cancel the hike in long-term care fees for seniors?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, unfortunately once again the member has his figures wrong. Because what we said, very clearly, when this was introduced . . .

The Speaker: — Order, please. Order.

Hon. Mr. Nilson: — Mr. Speaker, when this program was announced on budget day, it was very clear that there were 3,000 people on the bottom who saw no change, but everybody above that saw a change.

And that's exactly what we said was going to happen. We explained that. And it basically reflects the level of income that you have.

What we will continue to do is work with the people of this province. And we'll ask some of those people who have a bit more income to contribute as it relates to the long-term care,

because we want to make sure that we have a system that's sustainable for the long term, and that's the most important thing for all Saskatchewan people.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Speaker. Mr. Speaker, over the weekend I received a letter from a lady whose husband has Alzheimer's and was placed in 19 . . . I'm sorry . . . in 2001 in long-term care at the maximum fee. Now in 2001 this couple deregistered some registered investment funds since they were already at the maximum nursing home expense thinking that this would help ease the burden of the medical and nursing home fees.

Because of that particular move, their income this year is higher and the man will now have to pay the new maximum rate as of October 1. Now this lady thought they might qualify for help with their huge drug costs of more than 3.4 per cent of income, but they missed that, Mr. Speaker, by a mere \$52.

So, Mr. Speaker, I quote from this lady's letter to me:

My husband has Alzheimer's disease so he will never know how badly our plans for our retirement years have failed.

And she signs her letter, "A Devastated Constituent."

Mr. Speaker, the NDP's new long-term care structure is devastating seniors across the province. How can the Premier let this situation continue?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, I would ask that member to provide the letter to me and I will arrange to get an appropriate answer to that letter. And what I would say is that there are methods of reviewing the financial situation of people so that we can adjust it to deal with the individual situation.

What is not helpful is when the members raise the level of discussion to a point where they scare a lot of people. Get the information, make sure that we can answer the people's questions directly. The goal is to provide care for people and we need to do it at a rate that is reasonable for everybody.

We're asking some of the people who have a little bit higher income to pay more, but that's what we're doing in this particular process. And we have to have the information from the individuals so that we can give them the right information so they can make their plans.

Some Hon. Members: Hear, hear!

Ms. Draude: — Mr. Speaker, what's scaring people in this province is that government's decisions.

Mr. Speaker, seniors across Saskatchewan are angry about the tax grab on long-term care residents and they're registering their anger by phone and by letter. I have a letter from Doris Munoz of Regina whose sister is in long-term care. Miss Munoz believes that after this increase and drug bills her sister will be left with absolutely nothing.

She says, and I quote:

I'm 73 years old and I voted for and defended the NDP all my life, but no more. That tax grab is so offensive, you've reached an all-time low by doing so. It's not something Tommy Douglas, Woodrow Lloyd, or Allan Blakeney would have stooped to.

Mrs. Munoz says, you and your government should be ashamed of yourself for this move.

Mr. Speaker, I agree. Will the Premier reverse his attack on seniors whose only crime is requiring long-term care support in their senior years?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, we've been seeing an amazing transformation of a party who didn't care about the poor or the ones to be some kind of a concerned group.

And what I would say, Mr. Speaker . . .

The Speaker: — Order, please. Order, please.

Hon. Mr. Nilson: — Mr. Speaker, when an individual has a concern around being able to afford the kinds of things that they need for their living expenses, there is a clear review process which allows people to present the information and get an adjustment so that they can deal with the concerns that they have.

And that is an appropriate way to deal with this. So I would ask that member, if I don't have that letter already, that she should forward it to me, so that I can deal with it and we can get the proper information.

It's unfortunate that the members opposite seem to be sending out information that increases the concern of the older people in our . . . And we want to make sure that everybody has the right assessment of this situation.

Some Hon. Members: Hear, hear!

Mr. Wakefield: — Mr. Speaker, I have a comment from Donna Busse. She has a 92-year-old mother-in-law in a long-term care and she calls this, and I quote, "an awful tax." She says her mother-in-law saved all her life so she would have enough money to pay for her expenses in her later years.

Another neighbour, however, spent all her money enjoying life while she could and now will pay just one-quarter of what Mrs. Busse's mother will pay in a long-term care.

Now these two women live in the same lodge, they eat the same food, and they receive the same care. As one woman put it, and I quote:

Why should we save? (Why should we just . . . why don't we) . . . just blow our money and enjoy life while we can instead of giving it all to the government!

Mr. Speaker, seniors across this province are now considering

what to do with their money to avoid paying these exorbitant long care fees. Not surprisingly . . .

The Speaker: — Order, please. Order, please. Order.

Mr. Wakefield: — Mr. Speaker, not surprisingly, other seniors are actually planning to leave the province while they can. So a question for the Premier, Mr. Speaker: why should one person in long-term care pay up to 148 per cent more than the person in the next bed receiving the same level of care?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, in our Canadian system, we ask people who can afford to pay more to pay more. And the example that the member gives today is a challenge for all of us in how we organize the services that we provide for society.

But one of the things that people should remember is that long-term care costs are covered by the province — they're not part of the Canada Health Act, they're not part of the national system. And this is one of the issues that Mr. Romanow has been asked to review about which parts are included in the national health . . .

The Speaker: — Order, please. Order.

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — The issue of which parts of our care in our health system should be included in Canada Health Act and which parts shouldn't be is part of the review that Mr. Romanow is doing right now.

And it's important that we get this right, because it does relate to the fact that the federal government has reduced the amount of money that they're contributing, and it makes it very difficult for individual provinces to provide all the care that they have to provide.

Some Hon. Members: Hear, hear!

Gross Domestic Product Decreases in Saskatchewan in 2001

Mr. Krawetz: — Thank you, Mr. Speaker. My questions are also for the Premier. Statistics Canada has now released its report on economic growth in Canada last year. It turns out that Canada did not experience a recession last year, as many people had feared. In fact, the Canadian economy actually grew, Mr. Speaker. And the provincial economy grew in every province in Canada, every province — except one.

Mr. Speaker, while every other province in Canada was growing their economy, NDP Saskatchewan was in a recession. Saskatchewan's economy shrank by almost 2 per cent last year.

Mr. Speaker, why is Saskatchewan's shrinking while everyone else's economy is growing? Why did the NDP create a made-in-Saskatchewan recession?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Well, Mr. Speaker, I find it very interesting today, the member opposite refers to the GDP (gross domestic product) and the decrease in our GDP in the year 2001, and I want to say . . . (inaudible interjection) . . . No, no, and I think that's fair, Mr. Speaker — he has.

And we did have a decrease based on these numbers. But you know what I find awfully interesting? That today he was able to pick this number off of paper from StatsCanada. But you know something? They haven't been able to do it for the last 10 years as Saskatchewan has led Canada in growth in the GDP.

The Speaker: — Order, please. Order. Order. Order. Order, please. Order, please. I have asked members to refrain from interrupting during the questioning and during the answers, and more specifically, I would ask the source of persistent interruption, the member from Rosthern, to just try to resist.

Order. Order.

Hon. Mr. Lautermilch: — Mr. Speaker, my point is fairly simple. We had economic growth, our GDP . . . Well if they want to listen, but I see they choose not to. I'll wait till they're quiet.

The Speaker: — Order, please.

Hon. Mr. Lautermilch: — Mr. Speaker, as I said before, there isn't a member opposite who would refer to the growth in GDP eight consecutive years in this province. From 1992 until the year 2000 we had consistent growth in our GDP. And I want to say, Mr. Speaker, we had the third fastest GDP growth among all of the province at an average rate of three and a half per cent in those years.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Thank you, Mr. Speaker. Let's review the Premier's record in his first year in office: record job losses, huge population losses, and now we find out Saskatchewan was the only, Mr. Speaker, the only province in Canada that had a recession. Clearly, the NDP is doing something wrong.

Mr. Speaker, every other government in Canada is growing their province. They're growing their economy, they're growing their job base, but here in Saskatchewan the NDP is shrinking the province, shrinking the economy, and shrinking the job base. Will the NDP admit their economic plan is failing? Why does the NDP have no plan to grow Saskatchewan?

Some Hon. Members: Hear, hear!

(14:15)

Hon. Mr. Lautermilch: — Mr. Speaker, I'm going to complete my comments with respect to the lack of opportunity that that opposition has had to look at the GDP numbers, with the exception of this year.

We had the third fastest GDP growth in the country. We had the second highest growth rate of real GDP per capita. We've had the real GDP per employed person growth rate that has been leading this country. But, you know, Mr. Speaker, they've had

their head in the sands on those issues.

What they also don't tell you today is StatsCanada tells us that this is as a result of a major drought in this province which they choose to ignore as well.

Now, Mr. Speaker, I . . .

The Speaker: — Order. Order, please. Order. Order. The minister has 15 seconds.

Hon. Mr. Lautermilch: — I'm going to . . .

The Speaker: — Order. Order, please. The minister has 15 seconds.

Hon. Mr. Lautermilch: — I'm going to ask the members opposite where they were in the last eight years as we led this country in GDP growth. And I'm going to ask if they will admit that they choose to pick statistics out only when it suits their political purpose but not recognize the fact that this province has had strong growth.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Mr. Speaker, the NDP has no plan to deal with the fact that Saskatchewan is the only one to have shown a recession last year, Mr. Speaker. In fact, they won't even admit that there is a problem. Every day we hear the NDP tell us everything's fine, but they're living in a fantasy world and ignoring reality.

Here are the facts, Mr. Speaker. Last year, Saskatchewan lost 12,000 jobs thanks to the NDP. Saskatchewan lost over 10,000 people to other provinces thanks to the NDP. Saskatchewan's population fell to under a million people for the first time in 20 years thanks to the NDP. And now we find out Saskatchewan was the only province in Canada to have suffered a recession thanks to the NDP.

Mr. Speaker, those are the facts. The NDP's economic plan is failing. Why does the NDP have no plan to grow Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, I want to talk about Statistics Canada and what they just released. And I want to quote from their Web site. It says:

Saskatchewan's economy contracted 1.9% in 2001, the first decline since 1992 (Mr. Speaker), as drought devastated crops, farm incomes dried up . . .

Mr. Speaker, that's what StatsCanada said.

Well, we have an economic plan on this side. And that's balancing budgets, and that's sustainable tax reduction, and that's continued diversification of our agricultural community so that we can weather the kind of drought that we had last year.

I want to say, Mr. Speaker, that our economy has grown in

areas where we have focused as people, and as business people in this province have focused their attentions to. And I want to talk about an economic plan — their's is hinged on one thing, Mr. Speaker, it's hinged on tax reductions that they can't tell us how they can afford to pay for. That's their plan.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Mr. Speaker. Mr. Speaker, it's very clear that this government has no plan for the growth of Saskatchewan.

When we look at what is occurring in every other province; we look at Maritime Canada where the Maritime provinces, even though the potato industry has slumped in Prince Edward Island, the fishing industry has slumped in Nova Scotia and Newfoundland, every province has shown a decline. We see agriculture, in a difficult situation in Manitoba and Alberta, yet they continue to grow.

The only province not growing, Mr. Speaker, is Saskatchewan. That is due to the NDP. When the Minister of Finance forecasts that corporate income is dropping by over \$100 million, that's a clear indication that this economic plan is failing, Mr. Speaker.

Why is the NDP producing a situation in Saskatchewan that is causing this province to fail?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker. Mr. Speaker, members on this side of the House choose not to believe that Saskatchewan is a failure, anymore than we believe the businessmen and women who build this economy are failures, Mr. Speaker.

And I want to say, Mr. Speaker, if that opposition . . .

The Speaker: — Sorry. Order, please.

Hon. Mr. Lautermilch: — Mr. Speaker, if that opposition hasn't learned that people have had enough of their negatives — and that's based on the fact that they've lost three by-elections in a row — Mr. Speaker, I think they better sit back and take another look.

They're popular vote is dropping, and it's dropping for a reason . . .

The Speaker: — Let's just try again . . . No. Order, please. Order, please. The minister will conclude.

Hon. Mr. Lautermilch: — And, Mr. Speaker, I say the people believe guilty as charged. Their premise of economic development is based on one thing, and that's tax reduction will spur this economy.

Well, Mr. Speaker since 1999 look at what's happened in here. The flat tax is gone, the debt-reduction surtax is gone. The high-income surtax is gone. The non-refundable tax credits were introduced. The income tax rate was cut by 25 per cent; and the small business growth was down 8 and 6 per cent.

Mr. Speaker, there is more than tax reductions to create the

economy and if they can't recognize the fact that the drought has a dramatic impact on this province, I'm sorry, Mr. Speaker, the people do.

Some Hon. Members: Hear, hear!

The Speaker: — Order, please. Order, please. Order, please. Order, please.

Hon. Mr. Sonntag: — Thank you very much, Mr. Speaker. By leave to make a brief statement before ministerial statements?

The Speaker: — Order, please. The Minister for Crown Investments Corporation has requested leave . . . Order, please. Order, please. Requested leave to make a personal statement prior to his ministerial statement. Is leave granted?

Leave granted.

STATEMENT BY A MEMBER

Announcement of Birth of Daughter

Hon. Mr. Sonntag: — Thank you very much, Mr. Speaker, and I appreciate the opportunity. I listened to the member from Saskatchewan Rivers talk about one less New Democrat. I want to report to the Assembly and members, other friends who might be listening that there is in fact one more New Democrat as of late yesterday afternoon.

I want to thank all of my colleagues in the legislature and friends who phoned to wish Virginia and I well on the birth of our daughter yesterday afternoon. I appreciate it . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you. I appreciate it very much.

I was asked many times in advance whether it was a boy or a girl and my response to that was — and this is for you, Murray, by the way — my response was this is up to Virginia, I do not like to micromanage to that degree, Mr. Speaker.

Our daughter actually arrived a little sooner than we planned and we didn't . . . we don't yet have a name for her. And Virginia actually thought that we should . . . She really likes the name Tory, but I got really colicky over that one, Mr. Speaker.

In closing I do want to say though, thank you to all of my colleagues on both sides of the House and to friends in the building who have phoned and wished both Virginia and myself well. Thank you very much.

Some Hon. Members: Hear, hear!

MINISTERIAL STATEMENTS

GreenPower

Hon. Mr. Sonntag: — And I am tired, Mr. Speaker. Thank you very much. The environment is an issue on the minds of many citizens of this province, particularly today, which is Earth Day 2002.

Many of us have already made simple lifestyle changes to reduce our impact on our land, air, and water by choosing to walk or to take the bus instead of driving a car, or recycling our home waste, or turning off lights not in use.

Today I'm pleased to rise in the House to tell you about a new opportunity that will help even more Saskatchewan residents go green. This morning in Saskatoon the Premier — and I was supposed to be with him but I wasn't — the Premier announced that SaskPower has begun offering GreenPower to residential, farm, and small-business customers across the province.

And thanks to an agreement just finalized by the city of Saskatoon and SaskPower, Saskatoon residents receiving electrical service from the city will also be able to purchase GreenPower.

Today's announcement is on top of the large industrial GreenPower product that SaskPower announced in March. GreenPower is a concrete example of the steps SaskPower and our provincial government are taking to tackle the challenges posed by the . . . posed by climate change, I should say.

Last June the Government of Saskatchewan made a 10-year commitment to purchase GreenPower to help meet the electrical needs at provincial government facilities.

The GreenPower product unveiled today for residential, farm, and small-business customers is priced at \$3.50 to support a 100 kilowatt hour block, a small premium that will be added to the customer's regular monthly bill. At this price SaskPower's GreenPower is amongst the least expensive in Canada.

So just what does \$3.50 worth of GreenPower get for you? Here's just a partial list. You can operate five computers and a printer for eight hours a day for a month or — and I like this one, listen to this — do 20 loads of laundry or operate two high-pressure farmyard lights each night for a month.

And just as important, a single block of GreenPower has the same positive environmental impact as planting about 240 fully grown trees by reducing the amount of fossil fuels burned to generate electricity.

I urge members to join the green movement by contacting their local SaskPower or city of Saskatoon electrical office and signing up for GreenPower today, Mr. Speaker. Thank you.

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you, Mr. Speaker. It's a pleasure to stand and respond to the minister's statement on behalf of the official opposition.

And just prior to doing that, also on behalf of the opposition, to extend all the very best to both the minister and his wife, Virginia, and congratulate them on the birth of their daughter. And if the minister signs up for his own program he's announced, he may be indeed . . . be requiring a lot more loads of laundry here in the weeks ahead. And he may indeed be one of the first subscribers here to this new program.

Now, Mr. Speaker, certainly the official opposition agrees in

principle with the move towards GreenPower and more environmentally friendly electrical generation in the province of Saskatchewan. And certainly the city of Saskatoon and SaskPower seem to have embarked on a program to deliver that GreenPower, just that, to the . . . certainly to the residents of Saskatoon.

You know, Mr. Speaker, the minister referenced the source for some of the GreenPower — or at least indirectly he did, anyway — and no doubt some of it will be attributed to the wind projects in our area of the province, in my area of Saskatchewan, near the Gull Lake area.

And certainly I think when that . . . when those wind projects were announced they were very well received by the people of the area, people across the province in general, and by the opposition, frankly, who saw the merit of pursuing wind power; especially the partnership with a private sector company, a company that had formed as a result of a joint venture by two Alberta-based energy companies.

And we certainly found that particular development encouraging with SaskPower looking towards the private sector for that sort of joint venture. What we've seen since then, what we've seen since then notwithstanding the announcement today though, is a government that has decided now that it is . . . now that they see this, the generation of wind power, of that GreenPower, to be more efficient than I think than they even had hoped, to be quite successful, they're going to cut out the private sector partnership, they're going to do it on their own.

And I think that's regrettable, Mr. Speaker. And maybe the only thing that detracts from the announcement today is what's happening with that particular . . . with wind power generation in the southwest part of the province.

Having said that, Mr. Speaker, we'll certainly be looking for more details on this particular announcement. In principle, though, the availability of GreenPower to the residents of Saskatoon at their own choice, at the premium outlined by the minister, is something in principle we find that we would agree with, Mr. Speaker.

(14:30)

STATEMENT BY THE SPEAKER

Unparliamentary Language

The Speaker: — Members, before orders of the day, I have had an opportunity to over . . . to review the record of *Hansard* from last day's proceedings and I wish to bring an item to a member's attention.

I believe it's the members' intent to use this Assembly to debate issues and ideas of political concern to the public that they represent and to avoid personal slurs or insults.

I believe that the public is best served through passionate yet reasoned debate which maintains the integrity of members. I'd like to bring to members' attention two quotations from Montpetit and Marleau on page 525:

Personal attacks, insults, and obscene language or words are not in order.

And on the next page, on page 526:

In dealing with unparliamentary language, the Speaker takes into account the tone, manner, and intention of the member speaking; the person to whom the words were directed; the degree of provocation; and most importantly, whether or not the remarks created disorder in the Chamber.

Further to that, all members will recall that we have had a long-standing tradition that members in this Assembly are to be referred to by their constituencies or their titles.

Upon reviewing the record, I found that the Minister of Health in one of his remarks used the words, dairy queen, when referring to the member from Weyburn-Big Muddy. And I believe in keeping with the values of this Assembly, I would ask the Minister of Health to at this time withdraw that statement.

Hon. Mr. Nilson: — Mr. Speaker, I withdraw that statement and I apologize for any concern that it may have raised.

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. I stand today on behalf of the government to table the response to written question no. 125.

The Speaker: — Response to 125 is tabled.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

General Revenue Fund Finance Vote 18

Subvote (FI01)

The Chair: — I would invite the Minister of Finance to introduce his officials, and if he wishes, make a brief statement.

Hon. Mr. Cline: — Thank you, Mr. Chair. With me today is, sitting to my left, is Mr. Ron Styles, who is the deputy minister of Finance. And beside to the left of Mr. Styles, is Mr. Chris Bayda, who is the executive director of the financial management branch of the Department of Finance.

To my right is Mr. Len Rog, who is the assistant deputy minister of the revenue division of the Department of Finance. Behind Mr. Rog is Mr. Kirk McGregor, who is an assistant deputy minister in taxation and intergovernmental affairs at Finance.

Behind me, is Mr. Glen Veikle, who is the assistant deputy minister of the treasury board branch of the Department of

Finance. Behind Mr. Styles is Mr. Bill Van Sickle; he is the executive director of the corporate services division of the Department of Finance. And behind Mr. Bayda is Ms. Joanne Brockman, and she is the executive director of the economic and fiscal policy branch of the Department of Finance.

And all of these officials are here today to assist me in providing the opposition and the public with information about our plan as set out in the budget introduced into the legislature on March 27.

Mr. Wakefield: — Thank you, Mr. Chair. And to the minister, welcome to your officials here this afternoon. We have a few questions; I'm sure they'll be a breeze for you. We'll try to get some responses that I think would be of most interest to both us and the people of Saskatchewan.

I guess right off the bat, Mr. Minister, I would like to talk a little bit about the revenue side of the budget that you have put forward. And one of the items that I wanted to draw attention to would be the petroleum . . . revenue from petroleum and the oil prices. And I noticed that recently the prices of petroleum have been, at least of oil and I think natural gas too, have stabilized and maybe have looked pretty attractive.

I'm wondering how the estimates that you have put forward in your budget are holding against what you anticipate the future will be.

Hon. Mr. Cline: — Thank you, Mr. Chair. And I thank the hon. member for the question. Although when the member says that, you know, I'll breeze through the questions, then it causes me to be concerned because I . . . he may, he may have something up his sleeve and not want me to breeze through the questions. But hopefully we will.

In terms of the oil revenues and perhaps natural gas too, I would say to the member that we have made our projections based upon \$20 oil throughout the calendar year 2002. And this is the same amount that Alberta has based their figure on. Natural gas, we've based that on \$3 and . . . same as Alberta.

And no, we have not revised our estimates upwards based on the fact that the price is higher than \$20 right now. The reason being that this is early days in terms of the year and what we have seen, as the member knows being from Lloydminster where they have some oil and natural gas in the area; it's early in the year and it would be . . . there's a lot of volatility. We've seen the price of oil and natural gas go up a lot, go down a lot. And it's true that it's gone up somewhat so far this year, but it also could go down later in the year. And based on that, we're sticking to our projection of \$20 and \$3, as I've indicated.

But having said that, with the member, I'm hoping that prices are somewhat higher than that so that we have more revenue. Although I hasten to add that we always look for balance in these areas in the sense that a higher price is good for the oil industry or the gas industry, which in turn is good for jobs and economic development in the province, but you never want it to be so inordinately high that it will shut down industries as a high natural gas price did a year ago. There were some problems in one of the mineral industries and also, I think, in alfalfa pellets. And high oil prices can be a big problem on the

farm because, of course, it's very intensive in terms of the use of fuel.

But in any event, we hope that the prices will be somewhat higher. We'll see if they are. We don't want them to be so high as to be a burden unduly to industry, farmers, or indeed, consumers.

Mr. Wakefield: — Mr. Minister, on that particular note and looking at natural gas in particular, I noticed in the schedule of revenues that is on page 12, the summary of revenues, that the natural gas anticipated revenue compared to 2001-2002 is significantly lower — about half the revenue; certainly lower than the amended forecast that you had put forward as well.

Your comments about wanting to give not necessarily an optimistic or a pessimistic picture, would it be accurate to say that the reduction of about — my calculation — 32 per cent in your revenue projections for natural gas was a result that maybe you were over optimistic and has, in fact, played a negative part in the last year's not only forecast but actual numbers?

Hon. Mr. Cline: — Well obviously, we were more optimistic, Mr. Chair, than turned out to be the case.

In that regard, we were in the company of other governments in Canada, like British Columbia and Alberta, which are also natural gas producers, and also the private sector. Because when we estimate what we will obtain from natural gas or oil, we don't just come up with figures by ourselves. We consult with the private sector; we look at what they're projecting. We look at what the other governments are projecting. And we tend to see whether our projections are in line with theirs and usually they are. And in this case, they were as well.

And the member is correct that last year we had overestimated the revenue we would . . . we received from natural gas last year. And in that regard we were in very good company in the sense that everyone was in the same boat. In fact, Alberta's surplus went from \$7 billion for the fiscal year ending March 31, 2001, to just barely having a surplus at all because they had also felt that natural gas prices would be higher than they turned out to be. So no one could really predict or did predict, including us, what happened to them.

One thing that did happen in this Legislative Assembly, however, was when I had put forward for the year 2001 our projection for natural gas for that year at \$5.86 for 2001, the member may recall I actually was accused by the opposition in the House of deliberately understating that and also the 3.39 for 2002. The allegation was that I had said those would be too low. And as it turned out, they were actually too high.

And I don't say that in a political way. I simply say that to point out how difficult it is to predict these things. And the fact is no one knows. The people that work for the oil companies don't know, the investment bankers don't know, and the governments don't know.

But in that regard, we turned out to be more accurate than the opposition thought we would be last year, but we had the price somewhat higher. We had said 5.86 for 2001 — it actually was 5.35 — so we were in the right dollar range and closer than

some people were.

But the point is no one has a crystal ball. So you do a forecast of what you think the price of wheat will be, the price of oil, the price of natural gas, and you wait and see what happens. And in that regard, governments are in the same boat as everybody else, because the price is set by the market and these things are affected by a variety of circumstances. The American recession brings the price down. That recession has ended, but they had one for a short time because there is less demand.

(14:45)

And all of the awful and tragic things that are going on in the world affect the price as well. First, they affected the price by making it lower after September 11. Now it seems the problems in the Middle East seem to be making the price higher.

But again, these world events are difficult to predict, and we hope that the situation in the world will improve and that these awful events will not continue to affect the price but just the economic factors. But it's very difficult for anyone to know for sure what the . . . how the economy will do in the US (United States) and other parts of world, and therefore, very difficult to make a projection.

But to answer the question specifically, yes, we were somewhat optimistic last year about what the price of natural gas would be.

Mr. Wakefield: — Thank you, Mr. Minister. There is no doubt that there is a great variability in natural gas pricing. One of the keys that I'm sure your officials look to, as others in the industry look to, is the spot price and the trend of the spot price that happens to reflect the price at any one time, and then you try to extrapolate from that.

So my question would be this. We've been told recently that at least we're . . . I read it in the paper or heard it, that the Saskatchewan . . . SaskPower is giving us some information that indicates that some of their costs were considerably higher than they had anticipated. The main one, at least number one that was mentioned by the president, was the cost of natural gas.

The cost of natural gas has apparently driven up the cost of SaskPower as it's being distributed to its customers, and yet we see the cost of natural gas in the spot price going either sideways or down.

And I know the cost, my cost in real terms from my supplier is much less than what SaskEnergy can supply. I have trouble squaring those two things.

Hon. Mr. Cline: — Well this might be a question that could be addressed to the minister in charge of the Crown Investments Corporation as well. But I will comment that the situation for SaskPower is complicated by two factors.

One is that this year, regardless of the price of natural gas, SaskPower normally relies — by this year I'm talking about 2001 actually — SaskPower normally relies, Mr. Chair, on the use of a certain amount of hydroelectric power, that is power driven by the river. I think mainly at Gardiner dam, although

I'm not absolutely sure about that.

But one thing that happened in 2001 is that there wasn't very much moisture in the mountains. There wasn't a lot of snow and of course we had a horrible drought and so there wasn't a lot of rain either. And that meant that there was less water. And when there's less water, then SaskPower has to rely on natural gas. And so quite apart from the price of natural gas, even if it had been a relatively low price, natural gas to produce power is more expensive than hydroelectric power.

And so SaskPower's price and therefore their bottom line was affected by the fact that they didn't have the water to produce power and they had to buy more natural gas than they otherwise would have. That's one factor.

The second factor is that SaskPower, or SaskEnergy for that matter, I think is required to purchase and store the natural gas that they use. And because they need it, they have to buy it at a particular price and then they have to store it. And then once they store it, they have to use it. And so they probably get locked into a particular price.

And of course they're like everybody else — they don't know what's going to happen to the price in the future, but they buy the gas at the price that it is on the day they buy it, they store it, and then they have to use it. So those two factors would affect it.

But I think that the matter might be affected more for 2001 by the lack of water than the price of natural gas, although both of those two factors would come into play.

Mr. Wakefield: — Thank you, Mr. Minister. I think that's a very logical response in terms of water generation. That is certainly a critical part of the costing. The pricing of natural gas for their operations we'll certainly try and direct to Crown Corporations and to those people.

But in terms of how you go about budgeting and projecting those kind of revenues I think is very important. And I wanted to make sure that you were able to give us some comfort that you continue to be kind of on the mark of where you predict these revenues will be. Because at the end of the day, that's going to be quite critical, either up or down, in terms of how the budget is going to perform during the year.

I would use that same reasoning, and that same rationale then, to the price of potash. Can you tell me what your officials have done in terms of discussion with the industry, making the projections for the return on the sale of potash?

Hon. Mr. Cline: — Yes. I know that the matter of the budgeted amount we see arising out of potash has been the subject of some questioning in the legislature already, because we have said in the budget for this year that potash revenues will be up almost 26 per cent, or approximately \$42 million above last year. And of course the question is raised, why would that be the case.

And I want to say to the member opposite that although it was alleged in the Assembly here that I had artificially inflated this number to make the budget balance, subsequent to that

questioning by the opposition, there was a statement from some potash executives who said in fact that they anticipate the same thing, that they would be paying more to the government in taxes.

And the explanation in the media from the — I think it was a representative of the Potash Corporation of Saskatchewan — was that they didn't think our estimate was that much out of line. Although the opposition had said it was, they said no, that they thought the government was being reasonable.

And there are a number of factors that go into that. The first is that production and sales levels are expected to rise somewhat in this fiscal year — about 4 per cent. And that will lead to an increase in the gross value of sales for profit-tax calculation of about 4.3 per cent, I'm told.

Input costs such as the price of natural gas, which is the major input in the manufacturing of potash — that's very important — are projected to be quite a bit lower, because of course natural gas prices have come down a lot, and that in turn will increase the operating profits per ton of the potash companies.

Once the level of gross-profit tax is calculated, any applicable credits are then deducted in computing net, profit tax payable. And this leads to the third factor that I want to talk about which will contribute to higher, net, potash-profit tax, which is that there's an historical capital investment account for Saskatchewan potash producers which comes to an end in this fiscal year. In other words, there's a tax break that they've had for quite a long time that was always scheduled to end at this time, and it ends in this particular fiscal year.

So there's three reasons: one is more production and sales; secondly, lower costs to produce; and thirdly, the expiration of a capital investment account that was seen to be ready to expire. And so those three factors lead us to believe that the revenue from potash to government will be up by about \$42 million. And as I said, that was . . . at least one potash executive, I think from PCS (Potash Corporation of Saskatchewan Inc.) — it was in the media — has said that they think that's accurate as well because of those factors.

Mr. Wakefield: — Mr. Minister, the discussions that we had, when we first commented on the 25 or 26 per cent increase in revenue from potash, the discussions that we had were that potash was going to not have a large increase or decrease in production but carry on in about the same fashion. And on that basis, we challenged you in times and you referred to that, that maybe that number was inflated.

I guess my question would be, and continuing in that line, if in fact it's natural gas prices that I think have come down, if that is a significant factor, tell me again then how the more or less sideways production rates are going to result in a higher return and particularly the tax that you had referred to that will be terminated, how does that rate in terms of increased profit for the potash?

Hon. Mr. Cline: — Mr. Chair, the tax change that I referred to which is, as I said, not something that arises out of this budget or even recently but I think comes out of the 1970s or 1980s results in a \$19 million difference. The end of the . . . well it's

large historical depreciation banks that the potash industry had. Those come to an end and that means that there's \$19 million there which is more than we had before.

And the other factors, as I said, are an expectation of increased sales and decreased costs. So I see that, according to the information I have, the value of sales is projected to go, from 1.611 billion in the last fiscal year to 1.68 billion this fiscal year. So that's an increase of some 69 . . . approximately \$70 million in sales.

And so the estimate is that with the \$19 million extra in the taxes, and the sales going up about \$70 million, and the greater profits because of the costs of production coming down, that those three will contribute to the approximately \$42 million increase. And as I said, I believe that that estimate has been verified as reasonable by at least some executives in the potash sector.

I want to make this observation too, Mr. Chair, not in a political way but just as a matter of fact so that people understand. One of the . . . the member was interjecting something as a joke, Mr. Chair. But one of the things that has been said from time to time in the legislature is that I as the Minister of Finance would change the figure that I say we're going to get from potash or oil or natural gas. And this allegation is made from time to time.

But I want to make it clear that that has never occurred in the sense that we employ officials in the Department of Finance such as . . . Ms. Brockman is head of the economic and fiscal policy branch, Mr. McGregor is head of the taxation branch. And using them as examples, these officials year after year — it doesn't matter who the minister of Finance is — give us their estimate based on what the private sector, what other governments are saying, of what the revenues will be.

We don't select these numbers. They give them to us. We may question them about them, but we rely upon the estimates of professionals to pick these numbers. These are not numbers that I write into the budget in the sense that I'm not an expert in these numbers. I get the best advice I can from the government officials. We look at what the private sector has to say.

(15:00)

And the officials, they don't have a crystal ball so they are not always right. But they are pretty good and pretty close — they're usually within a small margin.

But my point is not to say that they are always right; my point is to say we don't come up with these numbers ourselves on a political basis. We get the numbers from the officials.

That's how the number goes up this year, and as I say, there are people in the private sector that feel that we're being reasonable in terms of the projection that the officials have given to us.

Mr. Wakefield: — Thank you, Mr. Minister. It is indeed a very complicated issue, lengthy but . . . and complicated too.

I guess the question I would have then from your officials when they were projecting what's going to happen in the future with regards to potash, the tax that is . . . the tax holiday that was

being removed this year that is going to help the government revenues, as you indicated, by something like, I think you used \$19 million, does that . . . do your officials anticipate that's going to be a negative impact on the industry in that that's going to be a disincentive for either production or further development in the future?

Hon. Mr. Cline: — No, we don't anticipate a problem in that regard, Mr. Chair. First of all, I should say that this isn't so much the removal of a tax exemption as the expiry of a tax exemption after 22 years. And 22 years ago the industry made an arrangement with government whereby they had a tax break that would last 22 years, and it came to an end. And everyone has planned on that basis. So there's nothing new there.

But I want to say that we have been taking steps to work with the potash industry with respect to their level of taxation. Now having said that, it doesn't matter if we're dealing with the potash industry or the oil industry or indeed personal taxpayers, whatever the level of tax is, everyone will say, generally speaking, well I'd like it to be lower. So nobody is ever quite satisfied with their level of tax, because everyone would like to pay less.

But having said that, we have been working with the potash industry, and in particular, in 1998 the highest profit tax bracket which was 50 per cent was eliminated, leaving 35 per cent profit tax bracket as the top rate. So we had lowered the top rate tax bracket for the potash industry.

In 2001, the lowest profit tax bracket of 15 per cent was expanded from \$35 profit per K₂O (potassium oxide) tonne to \$40. So that's a tonne of K₂O potash. So the lower tax is applied at \$40 rather than 35.

And this year, producers are now allowed to pay taxes on a consolidated company basis rather than a mine-by-mine basis, with a maximum of 10 per cent of accumulated base payment credits applicable against profit tax payable annually. That doesn't sound very clear, but the point of these things is that in 1998, 2001, and 2002, we reduced taxes for the potash producers.

So because they've known that their depreciation treatment was coming to an end and because they've got some tax breaks in the last few years and because of the quality of Saskatchewan potash — which I believe is the best in the world which is why we, I think, are the largest producer in the world — I believe that the potash industry has a very bright present and a very bright future.

And all of these things have been planned for to keep the potash being mined and keep the people being employed there and also all the service industries that depend upon employment that comes from the potash industry.

Mr. Wakefield: — Mr. Minister, I think you've just outlined a principle that is quite important. Industry will respond to conditions such as tax incentives. They will respond in a very short order. And I assume that you're anticipating that the potash production, that's part of the formula of potash continuing to be developed in this province.

Potash is a very important part of our economy. We, in fact, are world leaders of that particular resource. And I would certainly encourage you to continue on that direction of offering very favourable taxes to allow industries to become more confident that they can develop those resources with a return to the shareholder, whether it be private or public. So I commend you for that.

But using that principle, can we not continue in that same vein with other resources, the gas and oil production? The reason I'm saying that is because even though we have a very vibrant oil and gas industry in Saskatchewan it doesn't compare with the industry that . . . or the level of vitality of the industry on the Alberta side of the border. And I'm using, colloquially I'm using, my area as an example.

I know that there is only about one well drilled on the Saskatchewan side for an equivalent of maybe four or five drilled on the Alberta side with the resources being the same on either side of that imaginary line.

Is there anything that you can offer or your officials can do to encourage continued tax incentives to make sure that production increases and hopefully becomes even more competitive, and therefore more productive, and therefore a larger royalty back to our province?

Hon. Mr. Cline: — Well that's certainly something that we should try to do on a continual basis and we do try to do, Mr. Chair.

I would like to say to the member that the details actually could be more appropriately put to the Minister of Industry and Resources in his estimates. I know that he will come armed with all kinds of numbers and statistics about the royalty levels. But having said that, I want to say to the member that indeed this is something we're constantly trying to do at the Department of Finance.

We work in close co-operation with the Department of Industry and Resources and their predecessor, Energy and Mines — and have for many years — to make changes to the royalty structure that will further enhance the competitiveness of the oil business, for example, and gas. I can't detail all of them right now, but I can tell the member and the House that in the last five years we've made a few changes to the royalty structure for oil to make it more competitive.

And we will look, in answer to the question, yes, we will look on a continuous basis at ways to change the royalties to increase production on the Saskatchewan side and, I have to say by the way, production has gone up on the Saskatchewan side.

Now the member is correct that there's more production on the Alberta side. In terms of oil, that tends to be because Alberta has a light, sweet crude oil which is more profitable to produce. Saskatchewan has a heavy oil which is less profitable to produce. That affects the development as between the two provinces, I think more so than the royalty structure.

In terms of natural gas, I believe that Alberta has 30 times the known reserves of natural gas as Saskatchewan. They just have more natural gas. In fact, British Columbia is the second largest

natural gas producer. They have more known natural gas reserves than Saskatchewan does.

So there are differences between Alberta and Saskatchewan. Alberta happens to be blessed with light, sweet crude in the case of oil and they are blessed with more natural gas than we have.

But having said that, the member is correct — and I agree — that we should always try to make sure our royalty rates encourage production. We have been changing them. Production has gone up.

And of course I would just finish off the answer this way by saying we always need a balance. And the balance is between the right of the industry to make a profit — and I want to be clear that the industry has the right to make a profit for their investment and their labours — and the right of the people of the province to get a fair return for the extraction of non-renewable resources. So we want the taxpayers to get some return as well. And of course, a lot of that money is used for programs like health care, education, and so on. And the finances have been quite tight this year and it's helpful to have the resources.

So, yes, we try to look at the royalties. We try to look at that balance — what the public needs — what the industry needs. And we'll continue to work with the industry to look at ways that are beneficial both for the industry, on the one hand, and fair to the people of the province on the other.

Mr. Wakefield: — Thank you, Mr. Minister. I have one more question on this vein, and then I'm going to turn it over to my colleague. She has a couple of questions.

But the question that I would have is that if we are concerned with getting the best return we can for the resource that we have by judiciously applying royalties — and also the tax incentives to encourage that development — I want to ask the question about returning some of that . . . the royalty investment back to the people.

In areas that have a significantly higher cost associated with that production . . . and I'm talking about the heavy-oil area that I'm from; there is a significant higher cost in terms of infrastructure, roads, and the grid roads in particular. That cost right now is being picked up by the taxpayers of the municipalities in that area, almost exclusively. Some of the grant money comes back for heavy haul road — maybe one or two areas in that municipality — but basically the taxpayers are picking up a significant amount of that extra cost that generates a royalty that is then distributed to the entire province.

I'm asking if your officials will consider — seriously consider — working with Municipal Affairs, but seriously consider returning some of the royalty that's generated from there because of the extra cost associated with that?

Hon. Mr. Cline: — Mr. Chair, I would make two observations with respect to that. First of all the municipalities where the oil and gas companies are operating will assess some municipal taxation on the value of the property that the oil companies or gas companies may have in the municipality. So certainly most

municipalities would consider it to be, yes, a cost to have oil companies but also a benefit because there would be a business there that they could tax. So that would be one part of it.

The second observation I would make would be that in terms of where the revenue should go and municipal revenue-sharing, the province will look at how much money is coming in, in royalties and then, you know, what can be paid out to municipalities from that. And of course this year we saw some increase in the municipal revenue-sharing grant so there was something extra there. There's been some extra money for roads in the last few years, and a few other ways.

In answer to the question, would my officials look at perhaps changing the revenue-sharing formula to take into account how much revenue there may be in a municipality related to oil and gas, I would answer it this way. No, probably not the Finance officials. However the intergovernmental officials that used to be the Department of Municipal Affairs, or the Government Relations officials as they're now called, that's something that they would look at. And that question might be appropriately addressed for further discussion with the minister of governmental relations about, you know, for further discussion.

But I have to say that it's not something that Finance would really look at. We would tend to come up with a global sum that we could make available to municipalities, and Government Relations department would be more active in terms of dealing with the municipalities as to how that money should be paid out.

(15:15)

Ms. Draude: — Thank you, Mr. Chair. Welcome, Mr. Minister, and to your officials.

The questions that I have for you today are mostly related to PST (provincial sales tax) and some of the implications. Mr. Minister, could you tell me how many businesses are registered with PST . . . have registered PST numbers?

Hon. Mr. Cline: — I'm advised, Mr. Chair, that there are about 42,000 businesses in Saskatchewan that would be PST payors, that pay money to the government for PST. And 32,000 of those, approximately, would also be PST collectors. So there's about 32,000 businesses that collect the PST from their customers. And then in addition to those 32,000 there would be another 10,000 businesses that don't collect PST themselves but remit PST to government on some purchases that they have made.

Ms. Draude: — Thank you, Mr. Minister. Could you tell me how many PST auditors we have?

Hon. Mr. Cline: — The Department of Finance employs about 50 — that's five, zero — auditors on PST. And I believe they are located in Regina, mostly, but also in Yorkton, Saskatoon, and Prince Albert.

Ms. Draude: — Thank you, Mr. Minister. Could you give us an idea of how many audits were performed last year?

Hon. Mr. Cline: — I should add that the number of auditors is

going from 50 to 59 as . . . because nine auditors are being added as a result of the budget. And the number of field audits for . . . The last year we have available is 2000-2001, where the figures are compiled, so we don't have the complete figures for 2001-2002.

But it was 1,066 field audits — you know, where they're out in the field, which may be in Saskatchewan or they may go to Calgary, Toronto, somewhere else. And desk audits, where they're doing the audits from their desks in Saskatchewan, I believe about 2,597.

Now as I said, that's . . . those figures are for 2000-2001. And when we have figures for the last fiscal year, I'd be pleased to provide those to the member as well.

Ms. Draude: — Thank you again to the minister. I'm wondering, Mr. Minister, how many of these audits resulted in additional monies that would be required, that perhaps someone had underpaid. And at the same time could you give me an idea of how much money was collected in interest and penalties.

Hon. Mr. Cline: — Yes. Mr. Chair, I can't answer the question in quite the way it's been asked. But I can tell the member . . . because we've got a penalty figure and an interest figure which results from both audits and late payments, both. And the penalty figure, the latest one we have was \$1.7 million in penalty and \$3 million in interest. But that would be both audit and late filing.

And then with respect to the total revenue that might arise from audit, the latest figure we have for 2000-2001 is \$18,505,590. I don't have an average per audit or per auditor but that gives the member some idea. It was about eighteen and a half million dollars in 2000-2001.

And just while I'm on my feet, I won't go on at length about it, but I might say that one of the concerns that has been expressed to me over the last three years or so has been by Saskatchewan construction companies sometimes and the other day it was actually by a Saskatchewan road builder. And they have wanted us to ensure that when Alberta companies, especially, come in with their machines that no PST has been paid. Or it could be an apartment company that owns many apartments and brings appliances and carpeting in from Alberta, which may happen, and no PST paid.

They want to be sure that we collect that PST so that companies from out-of-province are in the same level playing field as in province. And that's one of the reasons why we've beefed up auditing. And I was told recently just in casual meetings, not for this purpose but where I ran into people from construction companies and also a road builder, that they were happier with the government in terms of this issue than they had been in the past in the sense that they thought we were creating more of a level playing field because we were collecting the PST on a proper pro-rated basis from Alberta contractors. So it's one of the reasons for the beefing up.

And in this revenue that the auditors find, the eighteen and a half million dollars, I'm sure that some of that would be for that sort of area, although I'm not able to say how much of that would be from out-of-province companies doing business in

Saskatchewan.

Ms. Draude: — Thank you, Mr. Chair, Mr. Minister. I've had a question put to me from a company who actually does business . . . and one of their competitors is from Alberta. And they are feeling uncomfortable believing that when they make the sale here in Saskatchewan, that perhaps these people are not . . . either they don't charge the PST or maybe it's charged and not even . . . not given to the government. How do you ensure that if an Alberta company actually charges the tax — how do you ensure that the money is actually given to the province?

Hon. Mr. Cline: — Mr. Chair, before I answer the question I wonder if the member could clarify whether she's talking about businesses that are out of province but selling into the province or whether she's talking about businesses that are actually coming to the province, such as a construction company or an oil company. And the answer will vary depending upon which set of circumstances she's referring to.

Ms. Draude: — Mr. Minister, I was thinking about a company whose headquarters are . . . is in Alberta and will sell into Saskatchewan.

Hon. Mr. Cline: — With respect to a business that's operating, for example, in the province of Alberta, if they're selling goods in Saskatchewan but have no office or business here, they're not required to collect the PST on the goods that they sell to a Saskatchewan person. And that's not something new; that's always been the case.

So that, for example, if I order, you know, a fishing rod from Joe's Fishing in Calgary, and they send it to me and I pay them, they are not required to collect the PST if they have no business in Saskatchewan. And that has always been the case, so they wouldn't collect that from me.

Now on the other hand, I as a consumer when I bring that in, I am technically required to pay PST on that item. And as I'm sure the member knows, the difficulty there is that it's very difficult to control. If you don't have compliance by the consumer then you're probably . . . you've got some goods coming in that a tax technically is payable by the consumer, not the business.

In some cases, such as automobiles, those the tax will always be paid because the vehicle has to be licensed in Saskatchewan so you catch it.

But there will be other items where you will not catch it. Somebody may bring a washing machine into Saskatchewan and they haven't paid the PST, and we don't have the resources and it wouldn't be cost-effective to go, you know, to audit all of those things.

But as I said earlier, in some cases you will have a situation where a business will bring a lot of goods into Saskatchewan for a commercial development; let us say they're furnishing the development. And we will watch all of the commercial buildings going up — the building permits and so on — and ensure that in those larger circumstances an audit is performed and that we collect the sales tax with respect to those kinds of goods that come into the province.

Ms. Draude: — Thank you, Mr. Minister. This probably sounds very strange that I'm concerned about somebody not paying a lot of tax, because taxes isn't my favourite issue. But I do know that there are a number of businesses that are finding it a very unfair playing field right now, because companies are coming into Saskatchewan and when they give a tender or a quote they have to add PST and their competitor doesn't.

On a bigger-ticket item — and I can . . . I'll have to rely on my background and know that the playground equipment business, for example — there are . . . there is a lot of companies that come into the province and they don't, they don't have to pay the . . . they don't pay the PST. So it's an issue that I think has to be looked at if we're going to allow all businesses to be able to compete fairly.

I have one last question for you and that is: a couple of years ago the provincial government did a bit of an exchange with the federal government for auditors between GST (goods and services tax) and PST. I'm wondering if you can give me an idea of what you learned from that experience of the exchange of auditors.

(15:30)

Hon. Mr. Cline: — I'm advised, Mr. Chair, that the idea of a joint audit between the GST people of the federal government and the PST people of the province has not actually been that beneficial to the province and probably the federal government. Simply the reason being that the taxes are different and they have different effects. And there's not much that can be gained, one from the other, by jointly auditing.

But I'm further advised that what is beneficial has been an exchange of information between our province and every province of the nine provinces with a sales tax and the Canada Customs and Revenue Agency, in other words what we normally call Revenue Canada but which is now the CCRA.

And the CCRA, that is the federal government, and the Government of Saskatchewan exchange information with one another about companies doing business and so on. And that is quite valuable to give information to us that we might not otherwise have; the same, we're giving information to the federal government they might not have.

But the joint audit aspect does not work out quite as well in the sense that the GST is a value-added tax with input tax credits, which makes it different than the PST, which is more strictly consumption tax.

Mr. Wakefield: — Thank you, Mr. Deputy Chair. Mr. Minister, I just have one short question to follow up on that.

And after . . . before I pose it, I just wanted to thank yourself and your officials for the response that we've had so far today; I think we're going to move on.

But just one question following up on that. And I want to preface it by saying that I have extended my thanks, and I think the chamber of commerce in the city of Lloydminster has extended their thanks to you for that PST question right within the city. And that's been a very important consideration. And

again we thank you and your officials for making that determination.

The question now is, and I think you have received a question from me earlier in a written form, those contractors on the Alberta side that send equipment into the Saskatchewan side for oil field construction, they are in fact charged full GST . . . PST price on any equipment that comes across the border, for no matter how short a period of time. It doesn't apply with trucks I understand but for Caterpillars, backhoes, that kind of work, a full PST is charged.

And I'm hoping that your officials will rethink it through that and maybe prorate the taxation on that or let them put a tax on maybe one piece of equipment. And maybe it's a generic tax, one out of six can come into Saskatchewan, maybe not necessarily the same one but at least they would have paid the tax. I'm hoping that that will be a consideration.

Hon. Mr. Cline: — I'm advised that what we do, Mr. Chair, is not to charge the whole tax on a company that comes into Saskatchewan with its equipment but we charge it on a prorated basis.

And if they are operating for some significant period of time in the province, then in the first year they would be charged one-third of the amount of the provincial sales tax. If they were here just for a few days, I'm advised that we wouldn't, you know, expect to charge them, but if they're here for some longer period of time that that would be charged one-third.

And if they were here three years for example, to use a simple example, then they would pay the sales tax one-third a year for three years on a piece of equipment that they brought in.

Now the other side of the coin, and this is what we get more questions about actually, is that the Saskatchewan companies — and this is the question that I get — come to us and say, we don't think it's fair that somebody should be able to come in from Alberta with equipment they haven't paid the sales tax on. So they want us to do something, which is why we do the prorated tax and why we have the tax auditors. So that's what we try to do.

We'll always be prepared to look at having a more fair system if there's some problem with it, certainly. But it has to be fair both to the companies in Alberta that might come here to do business and to the companies here that have to pay the sales tax on all of their equipment and have to compete with the Alberta companies that may come in.

Having said all that, I'd like to thank the officials also for their assistance today. I've found the questions very interesting and I hope the answers were at least somewhat interesting. And I'd like to thank the opposition for their questions, which I think were very important questions, and also for their progress in moving the estimates along.

So with that, Mr. Chair, I'd like to thank you very much.

Hon. Mr. Hagel: — Mr. Chair, I request the committee to report progress and move to Labour estimates.

**General Revenue Fund
Labour
Vote 20**

Subvote (LA01)

The Deputy Chair: — Yes, I'll have the minister introduce her officials now please.

Hon. Ms. Higgins: — Thank you very much, Mr. Chair. This afternoon, I have to my right, Cheryl Hanson, the assistant deputy minister. Directly behind Cheryl, we have John Boyd, executive director, planning and policy branch. And directly behind myself, we have Dawn McKibben, director of human resources and administration branch.

Also here today with us, starting along the back wall, sitting behind the bar, we have Eric Greene, acting executive director, labour services division; Doug Forseth, executive director, labour relations and mediation division; Fayek Kelada, director, health and safety services, occupational health and safety division; and Cheryl Senecal, acting director, Status of Women office.

Also to the other side, seated behind the bar, we have Peter Federko, chief executive officer from Workers' Compensation Board; and Gail Kruger, the vice-president, Finance and Information Technology at WCB (Workers' Compensation Board).

Mr. Chair, I'm looking forward this afternoon to answering questions from the members opposite about estimates for the Department of Labour. But before I do, I'd like to make a few brief comments.

Mr. Chair, the mission of the Department of Labour is to work with employees and employers to achieve safe, fair, representative, and co-operative workplaces that contribute to ongoing economic and social development here in Saskatchewan. I'd like today to highlight a number of those initiatives contained in this year's budget that will assist the department in carrying out that mission.

First, we are adding four positions to the occupational health and safety division. This year's budget provides for the addition of a hygiene unit engineer who will work with the mine safety unit to help address ventilation issues and chemical hazards associated with mining.

In addition, Mr. Chair, two uranium mining and milling radiation specialist positions are being added to the mine safety unit. The radiation specialist will administer compliance with the requirements of the Nuclear Safety and Control Act. This is the first step, Mr. Chair, in implementing a harmonized regulatory program for uranium mining and milling.

Saskatchewan's uranium mines are currently subject to regulation by both provincial and federal agencies. To improve the efficiency of this regulatory regime, the province and the Canadian Nuclear Safety Commission are engaged in discussions to transfer compliance administration to the province. Ultimately, Mr. Chair, this initiative will improve efficiency by reducing overlap of responsibilities and

duplication of effort.

Mr. Chair, also in agribusiness, which is a growing industry sector in Saskatchewan, the department, in recognition of this fact, has dedicated an additional occupational health officer position to work in this very critical industry.

And as you know, Mr. Chair, I recently released the report of The Workers' Compensation Act Committee of Review. A number of the committee's recommendations focused on the need to reduce the backlog of cases at the Office of the Worker's Advocate, which is part of our department. And I'm delighted to inform you that as part of this budget, the Office of the Worker's Advocate is adding an additional worker's advocate position.

The new position is one very important component of the plan of the Office of the Worker's Advocate that they're implementing in conjunction with their colleagues at the Workers' Compensation Board to reduce the backlog and provide better service to injured workers.

I want to conclude my opening remarks, Mr. Chair, by speaking about what I believe is a very innovative plan to ensure that women's issues will continue to be addressed by this government.

The first step in merging the Women's Secretariat with Saskatchewan Labour, which, Mr. Chair, is almost a homecoming — the Women's Secretariat began as the bureau of women in 1964 in the Department of Labour — but we have established a Status of Women office, reporting directly to the deputy minister.

The Status of Women office will be a single window into government for women, women's organizations, and organizations that serve women. The office will provide cross-government policy coordination on women's issues and support for pay equity.

As an essential part of this cross-government approach, Mr. Chair, we have designated women's policy advisers in every department and in the Crown Investments Corporation. The departmental women's policy advisers will have a responsibility for ensuring that consideration of issues affecting women is fully integrated into each department's policy development and decision making.

The Status of Women office will include a director, a pay equity policy analyst, a senior policy analyst, and an administrative assistant. As well, a communications officer specializing in women's issues will be added to the department.

(15:45)

Mr. Chair, I truly believe this is an innovative approach for a government to take — innovative because it integrates issues affecting women into the mainstream of government decision making; innovative because it puts responsibility for addressing women's issues inside of every department while ensuring that there is centralized leadership in overall government policy and the maintenance of key resources for the women's community.

Mr. Chair, I look forward to responding to questions from the members opposite. Thank you.

Mr. Weekes: — Thank you, Mr. Chair. I'd like to welcome the minister and her officials here today.

There's a number of issues that you've just mentioned and this is quite an in-depth area where we can go in many different directions. But mainly today I'd like to talk more in general items, at least in the beginning of our Labour estimates.

Last Throne Speech, a year ago, the government announced a round table, which the minister at the time said there was going to be a dialogue between employers and employees in the province with the intent to reach a consensus on a wide variety of labour issues.

And I'd just like to initially ask the minister about the round table. There has been some concern, especially in the media. And I'd just like to quote a comment by one labour official, said:

Nearly a year after it was launched, the government's quest to bridge the gap between labour and management through a round table process is stalled.

And according to one union official.

And I would just like to ask the minister what is happening with the round-table process at this time.

Hon. Ms. Higgins: — Mr. Chair, the idea of the labour/business partnership and round table was put forward a year ago in the Speech from the Throne. Since then we have been doing consultations and had discussions with various stakeholders throughout the province.

I believe that this idea has a great deal of merit and we are continuing to work towards that idea of having a round table established to have open discussions on various items that affect the province of Saskatchewan.

When we look at Saskatchewan, a population of just over 1 million people spread over a very huge geographical area, to be able to come together and have discussions on issues that affect both — and in fact all people in the province: employers, employees, workers, whether organized, unorganized — it's important. We are in reality one large community. And I think an idea such as the labour/business round table will help with the facilitation of ideas that can improve our province as a whole.

Mr. Weekes: — Thank you, Mr. Chair. I'd like to get in more detail about round table. Has the process actually started? How many meetings has taken place? I have a number of questions concerning who is participating in the round-table process.

Hon. Ms. Higgins: — Mr. Chair, currently we are in consultations with the major stakeholders in this process to come to a format that would work well for all of the involved parties and stakeholders.

One thing that I believe personally is that I have to get this

business round table off on a good start. There is wonderful opportunities for a mechanism such as this to contribute a great deal to Saskatchewan.

But what we don't want to do is have it set up as one side against the other. I mean, hence the name, round table.

We would like to have open discussions. It's not a negotiations table. What we want is input on issues that affect all Saskatchewan. So the consultations are still in progress and we haven't yet set up a formal process.

Mr. Weekes: — Thank you, Mr. Chair. When I first heard about the round-table process I was hoping that it was going to be something that was fashioned on what's happened in Ireland and the Irish experience and miracle really in what's happened in their country. They refer to it as more as a social partnership.

And I believe that where this province needs to go is to get labour and business, and not only labour and business, but government, universities, Aboriginals, and agriculture together to set out a course for the province, as in Ireland. They made this process work to the betterment of their country and they had to make some very hard decisions. And labour and business and government had to compromise, get away from the adversarial process of labour negotiations, and sit down together for the good of the whole province.

I guess my question is, this process is . . . you say it's still in a consultation period. It was announced over a year ago now that this process was going to start taking place, and I'm just wondering, has there been a problem getting this consultation process underway and what roadblocks and problems have arisen so far? Why is it taking so long to get it working?

Hon. Ms. Higgins: — Mr. Chair, I know there's been some concern in a variety of areas as to why it has taken so long to get the business/labour round table up and operational. And as I said previously one of the concerns that I have is that I want to ensure that the business/labour round table gets off on a good foot, good footing and good start.

I don't want this to end up being a negotiation or a bargaining table where each side falls back into traditional roles. We are looking for a commitment that people will look at the big picture of Saskatchewan and the things we need. And this isn't only business/labour, but there's also concerns with education, communication, travel. It really cuts — transportation — it cuts across all avenues and all departments of Saskatchewan.

So really what I'm looking for is . . . And maybe it is taking a little longer than what we had first anticipated and maybe I am being a little overly cautious, but I feel that it's better to have it off on the right footing than it is to do something in a hurry and not receive results from it.

Mr. Weekes: — Thank you, Mr. Chair. I'm just wondering has the minister got a plan or a process in mind with an ultimate conclusion? And what is that process and what is that conclusion?

We speak of a . . . The minister speaks of a consensus being developed. If there is a consensus, will that lead to changes in

The Trade Union Act and The Labour Standards Act? Is that what the minister is proposing at the end of this consultation?

Hon. Ms. Higgins: — Mr. Chair, one of the things . . . when I first became Minister of Labour and I got into the initial discussions or the discussions at that point on the business/labour round table, one of the things that struck me was when you went out into the community and had discussions on this, every individual had different ideas as to what this round table should do, the issues that it should be focusing on, and the outcomes. So that's one of the processes of the consultations is to try and come to a consensus on what we hope to achieve with the business/labour round table.

Dealing with legislation and review of legislation isn't an option at this time — that's not what the board or the round table was intended to do. What we're looking at is what should be our focus, general issues that affect all of Saskatchewan, but not specifically legislation.

Ms. Draude: — Madam Minister, to you and your officials, welcome. Madam Minister, you had mentioned when you started this discussion this afternoon that you were pleased that Women's Secretariat had come back from where it was originally and is now into Labour.

Can you give me a . . . for the last number of years, I've questioned the minister on the Women's Secretariat and I've . . . she's been so pleased to tell me that this entity is standing alone and it deals with all the issues that are affecting women in this province. And I think at that time there was 11 staff although I don't have the figures in front of me now.

Could you tell me how many staff you have now and how you can possibly be dealing with all these same issues when we're down to probably less than a third of what we were six months ago . . . three months ago?

Hon. Ms. Higgins: — The member opposite, when she made her comments . . . I am very pleased that the Women's Secretariat has come back into the Department of Labour. As I said, it has a very long history and going under a variety of names, but whatever you call it, this group of very dedicated women has done a wonderful job researching, doing analysis on women and women's issues throughout the province, and also having input. I don't think they have received as much credit as they should have for the pay equity research and work that they have done over the years.

But what we're looking at now is a different focus. The core policy unit will be back in the Department of Labour; we will have a director, two policy analysts, an administrative assistant. That will make up the Status of Women office itself. There will be a communications person dedicated to maintaining and focusing on the numbers, great numbers, of publications and information that was put out previously by the secretariat.

(16:00)

One of the things that's very important to the community women's groups and the women's groups throughout our province is the publications and communications. So we are looking to maintain that through a communication person

within the Department of Labour dedicated to women's issues and focusing on women's issues and women's publications.

Also, as I made mention in my opening remarks, the women's policy advisers that have been designated in every department and in the Crown Investments Corporation, to have a focus and responsibility to ensure that women's issues are given priority and a focus in initial stages of policy development that is done within each department.

So while it is a change, I think it is a . . . Well I truly believe that it's a change for the better; that the Women's Secretariat and the various groups that there has been over the years have built a very good foundation, a very solid base, for which to spread out. And now to have a women's policy adviser in each department, branching out and having a more direct influence on policy as it's developed within the departments, I think, is going to be a huge improvement and step forward for us.

Ms. Draude: — Mr. Chair, Madam Minister, thank you. Madam Minister, I know that women have been doing . . . in this office have been doing an enormous amount of work over the last few years, and of course they haven't been given the recognition for it. But I'm not sure that this change is going to make things better.

I know that you must have had the number of letters I've had from people who are very frustrated with the fact that there used to be a department that women could go to, that if they had an issue, they knew they could call the secretariat. And now all of a sudden, they're lost in a Department of Labour that . . . I'm not sure why Labour would be the right department for this group to go to because women's issue transcends the boundaries of just working women.

But I know that I've had a lot of correspondence from people who are very frustrated at the . . . at your government who has been talking for years about the importance of women's issues and how — underlining the fact that you have a department specifically for women — it just all of a sudden got lost.

Now we've been speaking in the last few weeks about other areas where the government has lost their priorities, and I believe that this one is one that women are going to find out that again they're not going to know where to turn to.

I was waiting and looking in the budget book to find the line that talked about how much money this . . . your area was going to be receiving. Last year I believe it was around the million dollars mark, and it's not even a line item in your . . . in Labour's budget now. Could the minister please explain to me how much money is going to be allocated for the work that women are supposed to be doing. And how we can possibly have the same amount of work done when we have fewer people doing the work?

Hon. Ms. Higgins: — Mr. Chair, I'm surprised that the member opposite . . . Actually when you look at the numbers there is more women and more direct focus on women's issues. They are spread throughout every department which will give I think a better network for the work that has been done.

There's also the centralized, with the Status of Women's office

in the Department of Labour. That will be the window for access and for communications to community groups and women's groups throughout Saskatchewan. I truly feel that this is a better approach to take.

As I said previously, the Women's Secretariat and the work that's gone on in fact over the last 30-whatever years — a long time — has built a very good base for women's issues in this province. They've done a huge amount of research that is very good and now we are branching out. And it's not less; it will be more — more staff, more people focused on these issues. We're doing it better, a little differently, but I believe it will be a better outcome.

And when you commented on the Status of Women or the Women's Secretariat coming back into the Department of Labour, and the Status of Women's office being in the Department of Labour, and why the Department of Labour — women's issues are quite prevalent in the Department of Labour, whether it's labour standards; whether it's minimum wage; whether it's our work and family unit that does a great deal of work in balancing work and family. Many of the issues we deal with on a day-to-day basis have to do with women, and in fact a larger scale, families.

So I guess I disagree with you that . . . the Status of Women office is a perfect fit for the Department of Labour.

Ms. Draude: — Mr. Chair, Madam Minister. Madam Minister, women's issues are prevalent in a lot of areas. Women have concerns in Agriculture; they have concerns in Economic Development; they have concerns in Health; they have concerns in Social Services. So to say that we're going home to Labour, I think is sort of a — it isn't giving women who aren't concerned just with the idea of Labour itself — it's not giving them the notice that they deserve.

Madam Minister, I think that being able to talk about women's issues in every department is a good idea. I want to know how you're going to be able to measure your outcomes. How are you going to be able to show that women's voice is being heard when women phone into the office and say, how can I get my voice heard; how are we really making a difference?

I noticed, Madam Minister, when I was in British Columbia a while ago, they didn't remove their women's department; they actually enhanced it. And they took some of the pressing issues from other departments and put them under this department.

So, Madam Minister, can you please indicate to me how we're going to have a measured outcome of the result of this change.

Hon. Ms. Higgins: — Thank you, Mr. Chair. The member opposite asked about the . . . I guess the accountability and how we are going to measure outcomes. There's many structures in place, and when you look at the foundation that the Women's Secretariat built with the research they have done and the work that they have begun, I believe those structures are in place, and the tools to measure.

One of the exciting parts about this is, is that the core policy unit that will be in the Department of Labour, while not only being a single window of access for women's groups and

organizations and organizations that deal with women's issues throughout the province — that's their source or point of contact into the government — but the structures and the functions, I mean, to have them spread out into the departments will give us I think better access to the departments than what was had previously by the Women's Secretariat. We will have input at the very beginning of policy development and research that is done within the department.

Also the women that are designated women's policy advisers in each of the departments brings with them the knowledge that they have of that department. That is something that we didn't have before in the secretariat.

This branching out I think will be a very good move and having that knowledge that is out there in the departments and being able to focus that and fed back through into the core policy unit in the Department of Labour for networking.

Because you and I know you can't put someone out into a large department and say, we are charging you with this responsibility. That person has to have a network of support, a network of resources. That's why we are looking at a system to have feedback back to the core policy unit and the Status of Women's office at the Department of Labour. None of these things work in isolation so there has to be that network and that resource base that will continue on, and I think serve the purpose very well.

There is accountability built into the process. There is tools in place. That isn't . . . I don't see that as being a concern. And when we have talked to women's groups . . . I have spent a great deal of time talking to women's groups across the province over the last little while having discussions, some brief discussions in some instances, other instances a little longer.

One of the things we would like the core policy unit and the Status of Women office to work on is an action plan for Saskatchewan women. So that will really be our focus over the next little while.

Ms. Draude: — Madam Minister, I am always looking and open to change and if we can do something better then I think it's a good idea. I know that there were many issues that I think would require more . . . we needed more help in.

The whole idea of working with Native women. I think that there was not the same opportunities, or I'm not saying neglect, but I do believe that there was more work to be done that we hadn't seen.

Women entrepreneurs. And I know that the Women's Secretariat has put some money towards women of distinction and that type of thing, and that's fine and dandy but it maybe isn't the same opportunity to actually help with the problems that women may have in that area of life.

So I am quite open to the idea of seeing how this is going to work. I'm imagining that women from the various departments are going to be able to get together on a monthly basis or some basis, and bring forward their ideas to your Status of Women department.

I am concerned, however, that I don't even see a line item in your department that talks about the Status of Women. We had a secretariat last year that was right on . . . in the department. This year, it's not even noted in the Department of Labour.

So again, I'm going to ask you the question: how much funding is going to be given to the Status of Women department within your Department of Labour?

(16:15)

Hon. Ms. Higgins: — Mr. Chair, the Status of Women's office comes back into the Department of Labour into the support services division. It will be a separate office unto itself with that designation, the Status of Women's office. It will be a separate unit, much the same as the balancing work and family unit will be.

Ms. Draude: — Madam Minister, does that mean that this department or this separate unit is going to be able to spend the unlimited money it's going to take to bring women's issues to the forefront in everybody's mind in this province?

I know that the secretariat the last number of years has had concerns because they didn't have the funding it took to make sure that women's issues were brought forward to various groups and departments. And you could advertise and let entrepreneurs and every type of woman in the province know that women's issues were important to this government.

So what I'm asking you is, is how much funding is going to be available to the Status of Women department within your Department of Labour?

Hon. Ms. Higgins: — Mr. Chair, the member opposite asked about unlimited funds. If I was Alice and this was Wonderland, it would be great. But there isn't unlimited funds in any department.

The Women's Secretariat, when it came into the Department of Labour, will fall under our budget. It will be . . . that core unit will be funded through the Department of Labour. But the other . . . the women's policy advisers that are in every department will fall under their budgets. So it gives us access actually to more staff.

Like I said before, we will be delivering policy programs a little differently. And I know one of your concerns may be the grants and the funding that came along that way. What we're going to do is we're going to have to sit down over the next little while, once the two vacant positions are filled with permanent staffing positions filled, and decide where priorities lay. And with the action plan for Saskatchewan women, see what our priorities and where best our focus is, operating this a little bit differently.

Ms. Draude: — Madam Minister, thank you for your answer. I'm looking at the estimates. I see that the Department of Labour went from 14.5 million to thirteen eight and you now include about the million dollars that came from the Women's Secretariat. So it is considerably . . . it's less money.

And of course you can't measure everything by dollars, and of course I know there's not unlimited dollars. But I am concerned

that I have listened for the last six years from your government talking about the importance of women's issues and why you're spending this money on it and now, all of a sudden, it's not there.

So I guess you're saying that in the last . . . that in the next little while you're going to come up with your game plan. So I imagine within the next couple or three months as we sit here and do estimates, that we will . . . by that time I will find out what you're going to be doing, how much money you're going to be spending, and we can have this discussion again.

So thank you, Madam Minister.

Hon. Ms. Higgins: — Mr. Chair, I guess I'm a little bit disheartened that the member opposite looks at total budget dollars as a good measure of the effectiveness of a program.

When you look at government departments right across the whole scope, every department has programs dedicated to helping women and families and dedicated to women's issues. The totals are quite staggering in some departments, but the results are worthwhile. There isn't a department in this government that doesn't have a focus on women and women's issues.

So while the Women's Secretariat, you may not see the budget that you've seen before, being it has come into the Department of Labour, it doesn't mean that the focus is any less. This government has had a commitment for a number of years — a great number of years — to women and women's issues and will continue to focus on those issues over the coming years.

Ms. Draude: — Madam Minister, I just . . . for clarification I want to remind you that the . . . one of the first questions that I asked you was how you were going to measure the outcomes. Not necessarily . . . I indicated . . . I know it's not just dollars. It's measuring the outcomes. And you had indicated to me that you were going . . . you have some benchmarks in place.

So I'm going to be watching with interest so that we can actually analyze as a group to see how . . . if this is more effective. And that's the important issue. In lots of cases the only thing we can do, the only thing I can do when I look at this budget is say women's issues is gone as a line item? How am I going to be ensured that they were looking at it with the importance that it should be?

So, Madam Minister, just again, the outcomes will be looked at by . . . not just your department by . . . but by us across the floor.

Mr. Weekes: — Mr. Chair, I'd like to turn to another topic concerning the Minimum Wage Review Board. The other day the CBC (Canadian Broadcasting Corporation) Radio reported on expenses racked up by the Minimum Wage Review Board over the last year, and it was reviewed . . . revealed that the board spent \$800 for research and consultation services and that this was the only original research the board undertook. And I'm assuming the board requested and received other research material on which they based their conclusions.

Back on February 25, the board sent to the Minister of Labour, I

understand, one piece of paper with one sparse recommendation — that the minimum wage be increased. There was no background information, no explanation or documentation supporting the decision of the board.

And, Mr. Chairman, I would just ask the minister whether she received supplementary information or a report from the board explaining their recommendation?

Hon. Ms. Higgins: — Mr. Chair, the member opposite asked about the one-page recommendation that was put forward by the Minimum Wage Board. And I'd like to assure the member that the Minimum Wage Board does a great deal of research in its effort to make a recommendation to myself, as Minister of Labour, which I in turn take to cabinet.

When — and actually in fact that question comes about because of an incomplete answer that I gave at a press conference — when the media asked about the recommendation, right away I got in my mind a one-page, very formal, written letter that puts forward the actual recommendation to myself. But that one-page recommendation comes attached to a report. Where the economic analysis is done, the recommendations and the rationale for it is put forward by the Minimum Wage Board, where their information and the economic analysis that was paid for and that was released in the claim forms that were the expenses with the Minimum Wage Board.

But also the information that comes . . . and there's a great deal of information that is out in the public realm that is not, or does not, have to be purchased. You talk about Stats Canada information from there, various other sources that were used by the Board, also work that was done within government by different departments discussing the effects of minimum wage and economic analysis that was done within government.

So there was more than just a one-page report and that was something I've talked about a number of times.

Mr. Weekes: — Thank you, Madam Minister. Well according to my information, the board spent \$800 on research and consultation services and only did one original research.

Could you also elaborate on the other research findings by other organizations, and you say in the department. What items did they look at as a board to determine the minimum wage? And also, could you table the report that was commissioned by the board?

(16:30)

Hon. Ms. Higgins: — Mr. Chair, a great deal of the research that's done by the Minimum Wage Board is information that is readily available out in public. Many of the presentations and work that was done is available from the various groups.

But the final report and some of the presentations that are made to the Minimum Wage Board are done in a confidential manner that they won't be released, and there is a variety of reasons behind that. But the complete report of all their findings that comes to myself, is put with the recommendation and goes to cabinet for a full discussion on the minimum wage recommendation and the decision is made from that.

So the complete report, while you may obtain parts of . . . I know the chamber of commerce, I have received their recommendations. There's a variety of reports out there where the organizations will give you a copy of or make them freely available but others aren't. But the total report that comes with the recommendation is a cabinet document and is covered by confidentiality.

Mr. Weekes: — Thank you, Madam Minister. I cannot accept that answer. I believe that the people of Saskatchewan need to know that . . . how the board determines its recommendations and I believe that we need to inform the people of Saskatchewan how the decision is made and based on what.

You made reference to — I forget how you put it — an economic study of some sort. It's been recommended for a number of years that an economic impact study be done before any increases to the minimum wage be done. And I'm wondering when you made reference to this study, were you referring to an economic impact study or exactly what kind of a study that was done?

Hon. Ms. Higgins: — I guess we're wondering exactly what type of economic impact study you're discussing or you're referring to. I know there was a number of . . . or a great deal of research done. There was economic analysis done on a variety of things. If you're looking at an economic impact study and spending a great deal of money having this done . . . something more specific?

I guess I'm sitting here thinking of someone on the radio the other day complaining about the board spending \$1.59 six times for pastries. So if people are complaining about the board spending or buying six pastries at a buck fifty-nine apiece and then we're going to turn around and spend a large amount of money on more studies and research, when there's a great deal of research out there and a great deal of research readily available, it would be another debating point.

Mr. Weekes: — Well I guess I have to ask the minister, what's the point in forming the board if they're not going to do any studying? How do they come up with their conclusions? What's the point of it? They have to base their decisions on something so how did they come about their decision? How did they come about their recommendations they presented to cabinet?

Hon. Ms. Higgins: — Mr. Chair, when you look at the number of presentations that are made to the Minimum Wage Board, when they are sitting during their hearings and receiving presentations, many of the groups that submit presentations, whether verbal or written, have a great deal of economic analysis that deals with their sector or their areas of concern that are already in the reports.

The board also, as you know by the expenses, has some outside information and statistics, economic . . . or research that's provided to them; also the research that is readily available in many places; also the research and the analysis that is done within government at their request, for specific areas.

Mr. Weekes: — Mr. Chair, I'd like the minister to name one study that the board looked at. If you say there's a number of them there, name one. I'd like . . . I'd prefer you to name them

all, but at least name one.

Hon. Ms. Higgins: — Mr. Chair, the Minimum Wage Board operates independently from government and sets its own agenda.

In the final report that was delivered to me, there is pieces of reports and financial statistics that they used in their analysis, but I don't have the complete reports that they used.

Mr. Weekes: — Mr. Chair, right now, the new minimum wage is higher than Alberta's. Alberta's is at 5.90. Manitoba is at 6.50 until April 2003. This is a fairly dramatic increase.

And all I'm asking, on behalf of the people of Saskatchewan, on what basis did the minimum wage go up? Where did they come up with their conclusions?

Hon. Ms. Higgins: — When the member opposite asks what justification and what rationale we use for increasing the minimum wage; there was a great deal of research done by the board and presentations made to the board.

But I don't think there's anyone in this Chamber right now that doesn't realize that the lowest income earners in this province need some supports in a variety of ways.

Now the government provides a variety of income tax reductions to support families. And one of the ways that this can be done is, along with the economic rationale and reasoning, an increase to the minimum wage. These are people that have no ability to speak for themselves; they have no organization, no group. So the minimum wage traditionally has been . . . the Minimum Wage Board traditionally has spoken for the lowest income earners in our province.

So while the economic research is there, the presentations are there by interested parties throughout the province. While the discussion is had at cabinet, there is a variety of issues that do go into this, and I believe the Minimum Wage Board has put forward a good presentation.

Mr. Elhard: — Thank you, Mr. Chairman. Madam Minister, I'd like to welcome you to this session today. I know it's your first as the new minister and I appreciate the effort you're putting forward.

I do want to say though, I've spent the last half hour listening to the discussion between you and the critic. And in view of your last comments, Madam Minister, I would say that you don't have the evidence, you don't have the evidence statistically, to justify the increase in the minimum wage. It was purely a political decision. It followed along the philosophical lines that your government espouses. And it was timely. And there may have been an election coming up this spring, and it would be nice to get those kinds of things out of the way.

I believe you admitted to that just a moment ago in your answer. You said that it followed in line with the ideals of your government and that it met the requirements to help people who were in great need, in terms of minimum wage support. Would you care to comment, please?

(16:45)

Hon. Ms. Higgins: — Mr. Chair, just a few comments for the members of the opposition. The economic analysis was there. The Minimum Wage Board put in a great deal of work. And if we look at the minimum wage from 1982 until 2002, if the minimum wage had have kept pace with the rate of inflation, minimum wage today would be \$8.35 an hour.

Minimum wage earners, statistics prove, spend 92 to 94 per cent of their income back into the community immediately to purchase goods and services. These folks aren't saving to go to Mexico for the winter; they aren't saving for a new car. They are working to survive.

When you look at . . . I mean, just keeping pace with the minimum wage and also the minimum wage earner, if they're working a full-time job which is 40 hours a week, which is pretty rare, they're still living at 20 per cent below the poverty level. Minimum wage is not even comparable . . .

The Chair: — Order. Order. Order. I'm having a difficult time hearing the minister's response. Would the committee please come to order.

Hon. Ms. Higgins: — Just to finish off the answer and to impress the members opposite that if the minimum wage had have stayed and . . . or kept pace with the rate of inflation over the last 20 years, minimum wage today would be at \$8.35 an hour which would bring minimum wage earners closer to the poverty level.

The committee reported progress.

The Assembly adjourned at 16:51.