

The Assembly met at 13:30.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Kwiatkowski:** — Thank you, Mr. Speaker. I rise to present a petition on behalf of citizens of northeast Saskatchewan concerned about the condition of Highway No. 23 west from the junction of No. 9 to the town of Weekes. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action and make necessary repairs to Highway No. 23 in order to avoid serious injury and property damage.

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

This petition is signed by citizens of Porcupine Plain and Weekes, Mr. Speaker.

I so present.

**Mr. Gantfoer:** — Thank you, Mr. Speaker. I rise this afternoon on behalf of citizens concerned about the shortcomings of the tobacco legislation. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation that would make it illegal for anyone under the age of 18 to be in possession of any tobacco products; and furthermore, anyone found guilty of such an offence would be subject to a fine of not more than \$100.

Signatures on this petition, Mr. Speaker, this afternoon are all from the city of Saskatoon and I'm pleased to present on their behalf.

**Mr. Bjornerud:** — Thank you, Mr. Speaker. I have a petition today to do with concerned citizens concerned about the overfishing at Lake of the Prairies. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to work with the federal government, First Nations representatives, and with other provincial governments to bring about a resolution in the Lake of the Prairies situation and to ensure that our natural resources as a whole are used in a responsible manner by all people in the future.

The signatures, Mr. Speaker, are from the communities of Langenburg and Churchbridge.

**Mr. McMorris:** — Thank you, Mr. Speaker. Mr. Speaker, I have a petition today to present on behalf of citizens of the province regarding prescription drugs in the province and the costs of them. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reinstate a reasonable annual deductible amount for prescription drugs in Saskatchewan.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, this petition is signed by people from Indian Head, Odessa, and Vibank.

I so present.

**Mr. Wall:** — Thank you, Mr. Speaker. It's a pleasure today to rise on behalf of residents of the city of Swift Current who are concerned with the hospital facility in that community. And the prayer of their petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to commit its 65 per cent share of funding for a new regional hospital in Swift Current.

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

And, Mr. Speaker, the petitioners today are from the city of Swift Current.

I so present.

**Mr. Brkich:** — Thank you, Mr. Speaker. I have a petition here from the good citizens from Marquis, a petition to improve Highway 42.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to make the necessary repairs to Highway 42 in the Arm River constituency in order to prevent injury or loss of life and also to prevent the loss of economic opportunity in the area.

As in duty bound, your petitioners will ever pray.

I so present.

**Mr. Allchurch:** — Thank you, Mr. Speaker. Mr. Speaker, I bring forth a petition signed by citizens of Saskatchewan concerned with commercial fishing on Besnard Lake. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to work with the federal government, First Nation representatives to bring about a resolution in the Besnard Lake situation and to ensure that our natural resources as a whole are used in a responsible manner by all people in the future.

And the signatures on this petition, Mr. Speaker, are from Tisdale and Zenon Park.

I so present.

**Mr. Huyghebaert:** — Thank you, Mr. Speaker. Mr. Speaker, I rise again with a petition from citizens concerned about the lack

of cellular telephone coverage in rural Saskatchewan. And the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to provide reliable cellular telephone service to all communities throughout the Wood River community.

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

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

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 nos. 8, 11, 18, 129, and 134.

#### NOTICES OF MOTIONS AND QUESTIONS

**Mr. Brkich:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 73 ask the government the following question:

To the minister responsible for Sask Water: will the minister please provide which communities that have water and sewer plants that the provincial government runs and operates?

And also on my feet, a similar question:

To the minister responsible for Sask Water: what are the rates the government charges to communities that have water and sewer treatment plants that the government runs and operates?

Thank you.

#### INTRODUCTION OF GUESTS

**Hon. Mr. Melenchuk:** — Thank you very much, Mr. Speaker. In your gallery this afternoon are two individuals, one of whom is well known to this Assembly and that's Ken Magnus, special adviser to the coalition government.

But the first . . . but beside Ken Magnus of course is his daughter, Desiree. And Desiree completed a degree at the University of Regina in political studies last year. She has just completed her course studies at Calgary — actually she's not completed that yet — in government relations. And she's back here for a week to visit with her dad, and she'll be going out to Tisdale later to visit with her mom.

And I'd ask all members of the Assembly to welcome her and Ken here today.

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

#### STATEMENTS BY MEMBERS

#### Last Mountain Lake Cultural Centre Opens

**Mr. Brkich:** — Last Saturday, I had the pleasure of attending the grand opening of Last Mountain Lake Cultural Centre, a facility that will promote the fine arts culture of Saskatchewan. I might add it was a beautiful day for the grand opening event attended by over 200 people.

The opening of this new centre came as a result of over 5,000 volunteer hours of work renovating an old school building moved to the site two years ago. They've transformed this grand old building into a gallery which will highlight the work of Saskatchewan artists as well as to serve to inspire future talent in the fine arts and literature.

One part of the building will be housing the library for the residents in the area, while there'll be rooms for artists to paint, sculpture, make pottery in. And also a big part of this building, they're going to have the Elsie Shirley Art Gallery.

With that, I'm pleased to say that Ms. Elsie Shirley was on hand to cut the ribbon to open the new culture centre, as well as cutting the ribbon for the gallery named after her. Ms. Shirley was a driving force towards opening this new culture centre for Saskatchewan.

Talking to the residents there, she put in apparently many, many hours over the past many years for that. It's important to note that in addition to the 1,000 hours of work already done to establish this new facility, that the board of directors and the staff of Last Mountain Lake Cultural Centre will be a volunteer effort.

I would like to congratulate all the organizers and volunteers who have worked so hard to bring this important cultural centre to the province of Saskatchewan. I would ask that all members of this House join me in a tribute to Ms. Elsie Shirley and the communities of Regina Beach and Buena Vista.

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

#### Retail Sales in Saskatchewan

**Mr. Yates:** — Thank you, Mr. Speaker. More good news for Saskatchewan. Saskatchewan consumers just don't believe the message of gloom or the revelation of doom preached by the members opposite. They keep conducting their daily lives with confidence and optimism despite the Sask Party warning that the sky is falling. Perhaps they act this way, Mr. Speaker, because the sky is not falling and because on these nice warm and wet summer days there is more to feel good about than the reverse.

And don't just trust me, Mr. Speaker. Instead let's see what else our trusty, objective friends from StatsCanada are saying about the Saskatchewan economy. They are saying, according to last Friday's *Leader-Post*, that our retail sales in Saskatchewan were up in April by 7.4 per cent over March and by a whopping 9 per cent over a year ago.

Consumers spent 728 million on retail sales in April; and over the first four months of the year \$2.6 billion, or an increase of 6.6 per cent over last year.

I don't know, Mr. Speaker. These numbers, combined with the 11,000 new jobs in May, sound pretty good to me. But then I've never really been an apostle of doom; rather I've always been pretty optimistic about Saskatchewan. Thank you, Mr. Speaker.

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

#### **Saskatchewan Outstanding Young Farmer Award, 2002**

**Ms. Draude:** — Mr. Speaker, today I ask the Assembly to join with me in congratulating the winner of the Saskatchewan Outstanding Young Farmer award for 2002, Shirley and Peter Voldeng from Naicam, Saskatchewan.

Peter and Shirley are the management team behind Fairway Farms Limited, a 1,000 sow, farrow-to-finish family hog operation. The operation employs eight full-time staff, two summer students, two part-time high school students during the remainder of the year, a barn manager, and an office manager. Twenty thousand animals are marketed annually and they consume 8,000 tonnes of feed.

Shirley graduated with a civil engineer degree and Peter with an engineering physics degree. They left their engineering careers in 1993 to return to the family farm in Naicam.

The farm offered the best fit for their goals and values — the independence of business management and ownership and the flexibility of a work schedule and a family involved in the community.

I am proud to say that Peter was one of the presidents of the Saskatchewan Party, and his goals of growing the province by growing the people is a theme we all believe in. Please help me to congratulate Shirley and Peter Voldeng of Fairway Farms in Naicam.

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

#### **La Ronge Student Wins Scholarship**

**Mr. Goulet:** — Mr. Speaker, I am proud to announce to the Assembly that Ashley Dubnik of La Ronge, a 17-year-old student, has been awarded a two-year merit scholarship to attend Lester B. Pearson College of the Pacific in Victoria. In September, she will join 200 other students representing each Canadian province and 83 other countries to participate in the college's International Baccalaureate Program.

Pearson College is a unique institution established in 1974 as Canada's tribute to the former prime minister and Nobel Prize winner. Its mandate is to promote international co-operation and understanding in a challenging academic environment. To ensure that all students are selected on their personal merit, each attends the college on a full scholarship.

Ashley is the second student from Northern Saskatchewan to attend, thanks to a generous scholarship fund provided by Cameco, COGEMA, Mudjatik Thyssen Mining, and Northern Resource Trucking. The first was Real Carriere of Cumberland House, who graduated this spring.

Mr. Speaker, Ashley and her family are originally from

Uranium City and still spend their summers there. She is a true citizen of northern Saskatchewan and will represent our province well in this international setting.

I know all members will join me in congratulating her and wishing her well.

Thank you, Mr. Speaker.

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

#### **Asquith Resident Wins Spot on Canadian National Team**

**Mr. Weekes:** — Thank you, Mr. Speaker. Seventeen-year-old Nadia Brecht of Asquith has been selected to the 2002 Canadian National Junior Women's Sabre Team, and will represent Canada at the world championships in Antalya, Turkey in April. Nadia, a past Saskatchewan provincial champion who first started fencing in 1991, was on the Saskatchewan Women's Foil Team, which placed fourth at the 1999 Canadian Winter Games in Cornerbrook, Newfoundland.

She switched to sabre in 2000 and earned a bronze medal in Under 17 Women's Sabre in the 2000 Canadian National Championships in Quebec City. At the 2001 Nationals at Saskatoon in June, she earned Silver in the Under 17 Women's Sabre, Bronze in the Under 20 Women's Sabre, and sixth in Senior Women's Sabre.

Nadia secured a place on the Under 20 Canadian National Team with a ninth place finish at the Junior World Cup in Havana, Cuba and a thirteenth place at the Junior North American Cup in South Bend, Indiana. Nadia trains at the Asquith Garde Fencing Academy in Asquith, where her father, Doug Brecht, coaches her.

Please join me in congratulating Nadia on an outstanding accomplishment.

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

(13:45)

#### **Realtors Celebrate 90th Anniversary**

**Mr. McCall:** — Thank you, Mr. Speaker. On Saturday, I had the pleasure of taking part in a portion of the 90th anniversary celebrations of the Association of Regina Realtors, an organization that has grown along with this city through all of our dramatic changes beginning, ironically enough, with the Regina cyclone of 1912.

As Regina has grown from a pile of bones to a gorgeous modern city, the association has gone from Gestetner sheets of available houses to Internet listings to the new LAND (Land Titles Automated Network Development project) system together into the 21st century, you might say, Mr. Speaker.

And as a group very much involved in the advancement and well-being of its city, the Association of Regina Realtors has been working with the North Central Community Society in my constituency in sponsoring a rear lane numbering program. The realtors were looking for a sponsorship program related to

property, and this is it. They have agreed to pay for the cost of the project which will assist all emergency vehicles in making quick, timely responses to calls for assistance, be they back alley or front street.

And, Mr. Speaker, they were out there in the flesh on Saturday helping put those numbers up. Barry Dundas of the North Central Community Society says that they have done . . . already done 400 houses and will do 400 more in the coming year.

This is just one of the many community services provided by the Association of Regina Realtors, including scholarships to the University of Regina. I congratulate them on their longevity and on their commitment to our city. Thank you, Mr. Speaker.

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

#### **Cheryl Daisley Wins National Science Fair**

**Mr. Kwiatkowski:** — Thank you, Mr. Speaker. Mr. Speaker, Cheryl Daisley, a 17-year-old grade 11 student at Hudson Bay Composite High School, took home a bronze medal at the Canada-Wide Science Fair held this year at the University of Saskatchewan in Saskatoon.

This is the third consecutive year that Cheryl has won a medal. Her first was a bronze medal from Kingston in the year 2000, followed by a silver medal that she won in London in 2001.

Her project this year: Why Rub Salt in an Open Wound? This was an investigation of the effects of salt on various grains. She was trying to find an alternative for road salt.

Besides the bronze medal in senior biotechnology, she received \$200 cash and a \$1,000 scholarship from the University of Western Ontario. In the specialty award, she took home a senior prize of \$1,000 in the Agriculture and Agri-Food Canada Award.

Over 430 students advanced from 90 regional science fairs to compete for cash, medals, scholarships, merchandise, and summer employment prizes. They were judged on the quality of their exhibits, the knowledge of the science behind them, and their ability to communicate their ideas.

I would ask all members to join me in congratulating Cheryl on her medal and wish her continued success in the future. Thank you, Mr. Speaker.

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

#### **Fujifilm Masterpiece Award for Photographic Excellence, 2001**

**Hon. Mr. Sonntag:** — Thank you very much, Mr. Speaker. A few weeks ago I gave a statement about a friend and former neighbour and in fact classmate, Donna Greschner, former Saskatchewan Human Rights commissioner, law professor, and outstanding teacher.

Today, Mr. Speaker, I'm happy to report that talent runs deep in the Greschner family and that Donna's brother, Mark, has also

been recognized for excellence in his profession.

Mark is a photographer with Artec Photographic Design here in Regina and he has recently won the Fujifilm Masterpiece Award for photographic excellence for the year 2001.

The Masterpiece Award recognizes photographic excellence in several distinct categories. It is the highest honour that any photographic manufacturer awards for photography without regard to the type of products used to create the picture.

Mark received the award from the Society of the Professional Photographers of America for a photograph in the wedding album category. It will be included in a fine art portfolio boxed set to be published by Marathon Press in the United States.

Mr. Speaker, this is just one more example from one more area of endeavour where Saskatchewan people are excelling — excelling here in Saskatchewan, I should add, Mr. Speaker.

And as I said, I take particular pride in this accomplishment because of the closeness between the Greschner and Sonntag families. I congratulate Mark for winning this outstanding award.

Thank you, Mr. Speaker.

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

#### **ORAL QUESTIONS**

##### **Financial Assistance for Farmers**

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, everywhere I went this weekend, people were asking about the farm package, and they're not too impressed with any of it.

They're not too impressed with the federal government and for sure they're not too impressed with the weak leadership of this NDP (New Democratic Party) government and this Premier. And they're wondering, Mr. Speaker, are farmers going to see any of this money or is all going to be ate up by accountants and administration?

Mr. Speaker, has the NDP managed to find any more details out on the farm package? How will it be paid out? When is it going to be paid out? And most importantly, Mr. Speaker, how much will end up in Saskatchewan farm families' pockets?

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

**Hon. Mr. Serby:** — Thank you very much, Mr. Speaker. I was about Saskatchewan communities this weekend too, and when many of the constituencies . . . or many of the communities of which the member from Saltcoats serves in, of which I didn't see him at any, Mr. Speaker.

Now I'm not sure which ones he was speaking of, Mr. Speaker, but I want to tell you, Mr. Speaker, that I've been talking to lots of farmers as well. And one of the things that the farmers in Saskatchewan tell me, they say, you need to be careful about the member from Saltcoats, Mr. Speaker, because the last time the member from Saltcoats was in Ottawa negotiating a trade

package we were working on AIDA (Agricultural Income Disaster Assistance), Mr. Speaker. And so the member opposite, member from Saltcoats, was very quick, Mr. Speaker, to go in a different direction when the pressure was on.

So I'm very pleased that the Saskatchewan Party is still very much of the process, Mr. Speaker. And at the end of this week we're going to know, Mr. Speaker, what in fact the level of funding for Canadian farmers is going to be — what portion of that will be for Saskatchewan, how much will be in the safety nets, how much will be in the other parts of the package.

And everybody that I spoke to this weekend, Mr. Speaker, in rural Saskatchewan said this province and this Premier should not be signing a package where in fact we're going to be assuming the trade injury. And I hope the member from Saltcoats is still there too, Mr. Speaker.

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

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Well I'd like to tell the minister, Mr. Speaker, that I've outlasted about the last five Ag ministers on that side . . .

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

**Mr. Bjornerud:** — And I'll be here long after he's gone.

Mr. Speaker, it's amazing. Farm groups like APAS (Agricultural Producers Association of Saskatchewan) seem to know more about the details of this package than the NDP government. APAS is saying the package will only contain about \$4 an acre for Saskatchewan farmers. But Ontario farmers are going to receive about \$25 per acre.

Mr. Speaker, is that accurate? How on earth did this NDP government manage to negotiate a deal that sees Ontario farmers receiving about six times what Saskatchewan farmers will receive?

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

**Hon. Mr. Serby:** — Mr. Speaker, on Friday I said to the member from Watrous, which I'll say to the member from Saltcoats today, that the amount of dollars that will come to Saskatchewan and to Canadian farmers this year, if this package passes, will be minusculely small, Mr. Speaker, minusculely small.

And that amount of money, Mr. Speaker, today, we have today on the table 5.5 billion already in dollars for farmers in Canada, and over a six-year period, a 6.6 billion. The federal government is offering us up 8.2 billion — \$1.6 billion, Mr. Speaker, for six years. That is woefully short, Mr. Speaker, and an insult to Canadian farmers, Mr. Speaker.

And I say to the member opposite. You know, you've outlasted . . .

**The Speaker:** — Order. Order. Order. The member persists in diverting his attention from speaking to the Speaker to speaking to the member. And I remind him of this and I ask him to speak directly to the Speaker. You've got about another 10 seconds.

**Hon. Mr. Serby:** — Mr. Speaker, I say to the member from Saltcoats that he's outlasted a number of Ag ministers, Mr. Speaker, but he has served on more political parties in Saskatchewan than we . . . (inaudible) . . . Mr. Speaker.

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

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Well, Mr. Speaker, Saskatchewan farmers are becoming accustomed to doing with less than every other farmer in this country because of that government. For 10 years, Mr. Speaker, that government and a number of past Agriculture ministers, the former premier, and now especially this Premier, they're being asked to do with less once again.

What is wrong with Saskatchewan? Why do our farmers have to consistently put up with less than every farmer in this country, Mr. Speaker? What, this time, is this minister going to come back with when he goes to meet with the federal officials? What are you asking; what are you expecting to come back with?

Mr. Minister, farmers are relying on you . . .

**The Speaker:** — Order. Order. Order. Order. Order. Now what goes for the minister goes for the critic. The critic might want to rephrase his last two sentences because he was not on the record, but he would do so please by speaking through the Chair.

Once again, 10 seconds to the critic.

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Well, Mr. Speaker, will the minister tell us today what he plans on coming back with; what he hopes to come back with. And just once, Mr. Speaker, will he represent our farmers so we get our fair share of the pie, just once, in the province of Saskatchewan.

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

**Hon. Mr. Serby:** — I listened very carefully to the debate on Thursday where the Leader of the Opposition stood in his place and said to the Assembly and Saskatchewan farmers and people, and he read — and I have in *Hansard* today — he said:

I, the Saskatchewan opposition leader for Saskatchewan, engaged in the debate in agriculture on trade injury on May 1 of this year (Mr. Speaker).

May 1 of this year. This government and this party and this minister have been on trade injury now for the better part of an entire year, Mr. Speaker, on the better part of an entire year. And we've convinced Saskatchewan and Canadian people, Mr. Speaker, to move in that direction, Mr. Speaker, to compensate Canadian and Saskatchewan farmers for trade injury. Many, many issues that we've taken forward, Mr. Speaker.

And I say to the member opposite, from Saltcoats, you're the king of transition . . .

**The Speaker:** — And I say to the minister, and I say to you — Mr. Speaker.

**Hon. Mr. Serby:** — That the member from Saltcoats, Mr. Speaker, is the king of transition in this province, Mr. Speaker. He's seen more leaders turfed on their, on their heels than we can imagine. And I tell you, Mr. Speaker, I said, the Saskatchewan Party transition team's at work today to move that opposition leader to the backbenches or out of this province, Mr. Speaker.

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

### Investigation of Insurance Claimants

**Ms. Bakken:** — Thank you. Mr. Speaker, my question is for the minister responsible for SGI (Saskatchewan Government Insurance).

Mr. Speaker, this morning the minister and the president of SGI released the report by PricewaterhouseCoopers on SGI's surveillance procedures, but unfortunately after two weeks and over 50,000 taxpayers' dollars, the public still has no answers as to what criteria, what policies and procedures SGI follows to determine when an SGI personal injury claimant should be put under surveillance.

PricewaterhouseCoopers says industry best surveillance practices are followed by SGI. Mr. Speaker, will the minister explain, is it industry best practice for SGI to put Virginia Cook under video surveillance because of one unsubstantiated anonymous phone call suggesting Ms. Cook was training horses?

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

**Hon. Mr. Sonntag:** — Thank you very much, Mr. Speaker. First of all before I begin to answer the question, I'd like to take the opportunity to formally table the report that was made public this morning by PricewaterhouseCoopers, if I could do that so all of the Assembly could have that. Thank you very much.

Mr. Speaker, I would say also if the member opposite is saying that there is no credibility in the report, I want for the members in the Assembly and for the public of Saskatchewan to note, Mr. Speaker, that PricewaterhouseCoopers is a worldwide firm that employs more than 146,000 people, that operates in 148 countries, Mr. Speaker, and a firm that does . . . that has done business for over 150 years, Mr. Speaker.

Now if that member is prepared to say that that firm doesn't have credibility in doing an independent report, Mr. Speaker, let her be absolutely clear about that, Mr. Speaker.

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

**Ms. Bakken:** — Thank you. Mr. Speaker, two weeks ago in the rotunda, SGI officials told the media that it would not be SGI surveillance policy to videotape family members of an insurance claimant, especially if the insurance claimant was not clearly around when the video was shot. Yet today this \$50,000 report says that the surveillance performed in Virginia Cook's case was conducted in accordance with SGI's policies and procedures.

Mr. Speaker, there is significant portion of Virginia Cook's videotape where the investigator admits in his notes that he does not have a positive ID (identification) on her and where he tapes Virginia's fiancé and people going in and out of his place of work. In fact this makes up four days of this surveillance.

Mr. Speaker, this is a direct contradiction. To the minister: is it or is it not a policy of SGI that family members of a claimant should not be videotaped if the claimant is clearly not in sight? And did PricewaterhouseCoopers actually view Virginia Cook's surveillance tape?

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

(14:00)

**Hon. Mr. Sonntag:** — Let me say first of all, Mr. Speaker, that, and as I've stated earlier on, that SGI is certainly regretful if there are individuals who, when surveillance is being conducted, feel traumatized, Mr. Speaker, or in any way feel victimized. That is not the intent. But clearly it is the intent of SGI, as I think it is probably for most insurance companies, to investigate when they believe that fraud or misrepresentation of a case has taken place.

That was the policy of SGI, Mr. Speaker. That is the policy of SGI, Mr. Speaker. And it will be the policy of SGI into the future, Mr. Speaker.

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

**Ms. Bakken:** — . . . saying we have no answer from this minister. We've been asking these questions for weeks and no answer from this minister.

Mr. Speaker, \$50,000 of taxpayers' money was spent on a report that concluded Ms. Cook's personal injury representative in Weyburn communicated erroneous information to the claimant with regard to whether or not videotaping had been performed.

The report states the letter provided to Ms. Cook contained, and I quote, "inaccurate information." It says, and I quote:

. . . we suggest that issuance of the letter to Ms. Cook with information to the contrary demonstrated a lack of professional judgement on the part of the PIR.

The PIR (personal injury representative) ordered the surveillance, Mr. Speaker, and was in contact with the PI (private investigator) throughout the investigation. Mr. Fogg said this morning that she had a memory lapse. How gullible does the minister and his officials think the people of this province are?

To the minister, is it acceptable for a PIR to give taxpayers of Saskatchewan incorrect information, and will the PIR be held accountable for her actions?

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

**Hon. Mr. Sonntag:** — Thank you, Mr. Speaker. Well in summary, let me say again that the report clearly stated that

there were areas of improvement that SGI should work towards, Mr. Speaker.

Mr. Speaker, I would also say that generally the report summarized says that SGI certainly follows best practices of the industry, Mr. Speaker, and meets or exceeds in many instances practices of the industry, Mr. Speaker.

With respect to the specific questions that that member asked, it is regretful of course, and is noted in the report, is regretful of course that misinformation was provided to Ms. Cook, Mr. Speaker. Certainly that was not the intent; it was not deliberate. And, Mr. Speaker, the president of the corporation will determine whether or not appropriate remedial action will be taken.

But I think the important point, Mr. Speaker, is that SGI follows best practices, and in most cases, exceeds best practices of the industry, Mr. Speaker.

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

**Ms. Bakken:** — Mr. Speaker, to the minister. Did PricewaterhouseCoopers have the tape and did they watch the surveillance videotape of Virginia Cook?

**Hon. Mr. Sonntag:** — Mr. Speaker, I'm not sure where this opposition is coming from on this issue. Is the opposition now again going back to their position, Mr. Speaker, that says that we should not — our insurance company or any insurance company — should not now again investigate where they believe that there is an incidence of fraud, Mr. Speaker, or misrepresentation of the facts?

Mr. Speaker, in any case when investigation is conducted, it isn't always the case that we find out that those individuals are misrepresenting the fact. Lots of times when an investigation or an audit is conducted it confirms that the claim was in fact appropriate, Mr. Speaker.

But having said that, SGI will continue to do investigations when they believe that misrepresentation or fraud has been committed, Mr. Speaker.

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

**Ms. Bakken:** — Mr. Speaker, again no answer from the minister. Mr. Speaker, this report cost the taxpayers of Saskatchewan \$50,000 to tell us that extensive video surveillance of SGI personal injury claimants and their family members is perfectly okay; \$50,000 to tell us personal injury representatives can provide a client with incorrect information and face no consequences.

We spent over \$50,000 of taxpayers' money to hear that SGI officials didn't have a clue whether they hired private investigative firms or individuals to conduct surveillance or not, because their information systems aren't up to track that information right now. They're not right.

And we spent \$50,000 to learn that the minister made a big assumption about the number of surveillance cases SGI conducted in any given year, and passed that assumption on to

the people of Saskatchewan.

Mr. Speaker, this report is a whitewash and no one, not the minister and not SGI officials, are being held accountable for this mess. Mr. Speaker, to the Premier: what actions is he going to take to address incompetence by this minister and SGI officials?

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

**Hon. Mr. Sonntag:** — Mr. Speaker, I acknowledge that \$50,000 is a lot of money, Mr. Speaker. But the report, Mr. Speaker, makes a number of recommendations and SGI will certainly improve in those areas. As has been the case in the past, they've moved to better reporting practices, Mr. Speaker.

But I think the report goes beyond, Mr. Speaker, some of the recommendations. It certainly . . . I believe, probably the most important point of the report, Mr. Speaker, is it provides the public of Saskatchewan confidence that their insurance company is in fact conducting surveillances in an appropriate way and is either meeting or exceeding industry standards, Mr. Speaker.

Now, Mr. Speaker, if that member is suggesting that SGI should just go out and fire individual employees, Mr. Speaker, that may . . . who have co-operated, I should say parenthetically, with the independent investigator, Mr. Speaker, who have co-operated fully; and the consultant has acknowledged that this is an honest mistake — if that member is saying that we should now fire those individuals, that is not the practice of SGI. It might be their practice but it's not the practice of SGI.

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

### Investigation of Harassment Complaint

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, we just heard about a \$50,000 whitewash report from SGI where the minister can't even answer the simplest of questions. And now an article in *The StarPhoenix* is suggesting that the investigation of the former Environment minister was a one-sided whitewash as well.

Doug Cuthand said he has spoken with Pearl Yuzicappi and a number of other sources and here's what he found, quote:

The government investigation failed her and instead . . . was more like an inquisition. Character witnesses were called for the minister, including three cabinet . . . (ministers) . . . Yuzacappi . . . wasn't asked to provide character witnesses.

Mr. Speaker, is this an accurate description of the investigation? Why was the former minister allowed to call character witnesses? To the Premier.

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

**Hon. Mr. Calvert:** — We're seeing a pattern here. As I've indicated . . .

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

**Hon. Mr. Calvert:** — I'll tell you the pattern, Mr. Speaker. I'll tell you the pattern. It's an opposition that will call into the question the integrity . . . Today alone they've called into question the integrity of public servants in this province; they've called into question the integrity of PricewaterhouseCoopers, Mr. Speaker, in this House. And now today they . . .

**The Speaker:** — Order, please. Order, please. I would like to be able to hear the full response. Order, please.

**Hon. Mr. Calvert:** — Mr. Speaker, and of course when they don't like an answer they just . . .

**The Speaker:** — Order, please. I'm still finding it difficult and I would ask members to turn the volume down a little.

**Hon. Mr. Calvert:** — The Leader of the Opposition hollers from his seat when he doesn't like the answer to the question.

Mr. Speaker, as I've said before in this House and have said publicly and will say again, the fact of the matter is that in this circumstance we engaged an individual who is widely known in Canada for the work in workplace complaints; a woman whose credentials I think are beyond question. She submitted the report, Mr. Speaker. She chose which elements of that report should be made public. We've done so and the case is closed.

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

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Well, Mr. Speaker, there certainly is a pattern of whitewash and cover-up by this government according to Mr. Doug Cuthand. Mr. Speaker, the article goes on to say, and I quote:

Allegations were made about Yuzacappi's intentions, accusing her of wanting a better job or a payout.

They even accused her of playing the race card, even though Yuzacappi never once raised it. It is obvious the government closed ranks on her and protected itself.

Mr. Speaker, all along the Premier has said he followed this process so that others would feel comfortable in coming forward in the future. But according to this account by Doug Cuthand, it sounds like Pearl Yuzicappi was under investigation, not the former minister.

Mr. Speaker, is this an accurate account of the Premier's \$25,000 investigation and if so, who was under investigation here, the minister or the staff member she reportedly slapped?

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

**Hon. Mr. Calvert:** — When we engaged Ms. MacKenzie to do this work, we asked her to do an investigation of the event that occurred in the minister's office. Ms. MacKenzie did an investigation of that event. I am not privy to those individuals she talked to or did not talk to. I am privy to the fact that this woman is widely recognized in this nation as an expert in her field. For this reason, and precisely this reason, we went out of province. We went to an expert in the field to draw on that expertise.

When we did so, the opposition suggested that was the right thing to do. Now they're suggesting, I guess, that this was not the right thing to do or that she was not in fact the right individual.

The facts of the matter are, Mr. Speaker, I believe she was the right person for the occasion. I think she has done good work; she's provided her report. She suggested which elements of it should be made public — they were made public, Mr. Speaker. And again the case is closed.

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

**Mr. D'Autremont:** — Mr. Speaker, the case is not closed. We still have the bill to pay. The taxpayers have a bill to pay.

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

**Mr. D'Autremont:** — Mr. Speaker, the cost to taxpayers continues to mount. We now know four — four of the former minister's staff are sitting at home doing nothing and drawing a full salary. Taxpayers are paying a hefty price for this Premier's bungling, incompetent leadership.

Mr. Speaker, *The StarPhoenix* article says the Premier was:

. . . more interested in damage control . . . than . . . (in justice . . . (He says that) He was more concerned that . . . (the minister) had spoken to the press than he was about the substance of the issue.

And it goes on to say that, "He placed politics before reason and justice."

Mr. Speaker, this Premier was more interested in covering up the damage to his government than in doing the right thing. But in the end he couldn't even get that right, Mr. Speaker. He wasted 25,000 taxpayers' dollars and he still had to fire the minister.

Mr. Speaker, to the Premier, why should taxpayers be forced to pay for the Premier's incompetence?

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

**Hon. Mr. Calvert:** — I repeat, precisely, to give assurance to members of this legislature and to the people of Saskatchewan that nothing was being put aside or used for political advantage. It's precisely for this reason that we engaged a woman of Ms. MacKenzie's stature in the country to do the work.

But I'll tell you again, Mr. Speaker, why it is that day after day after day, this opposition wants to raise issues like this in the legislature. It is because . . .

**The Speaker:** — Order, please. Order, please. I would ask the member from Saskatoon Nutana and the member for Rosthern to kind of try to tone it down a little.

**Hon. Mr. Calvert:** — Why are these questions being raised, Mr. Speaker? It is in my view because this opposition does not want to talk about 11,000 new jobs in the province of Saskatchewan; this opposition does not want to talk about a



credit rating upgrading from Moody's of New York; and obviously this opposition doesn't want to talk too much about agriculture in that we haven't heard one new, one new idea, for the state of agriculture in Saskatchewan or Canada during the course of this session, Mr. Speaker.

I think that's why we want to go back to files that we've closed.

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

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, the history of this government has been to whitewash and cover up. Whenever they call for an investigation of one of their misdeeds, Mr. Speaker, they always go out of province but they give them a very, very narrow focus in which to deal with.

The minister wouldn't . . . minister of SGI wouldn't even answer whether Price Waterhouse had access to the tape, Mr. Speaker. What information did Marilyn MacKenzie have on this case? She didn't interview any character witnesses for Pearl Yuzicappi, Mr. Speaker.

Mr. Speaker, it's one cover-up after another to cover up the Premier's bungling and incompetence.

If the Premier does have nothing to hide in this, if the report is so good, release it to the public.

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

(14:15)

**Hon. Mr. Calvert:** — It's an interesting circumstance when the member from Cannington seems to know precisely who was or who was not interviewed in the course of Ms. MacKenzie's work, when I am not privy to that information, Mr. Speaker.

Part of the confidentiality of this kind of work is to assure confidentiality to the people that Ms. MacKenzie would work with. We know exactly, we know exactly how this group would function in government. We had one of them this morning, Mr. Speaker, the member of Weyburn, stood in public in front of cameras suggesting that a public servant in this province should be fired — with no basis. She accuses that and attacks a public servant, Mr. Speaker. I note that.

I note the comment of that, of that opposition, I think the member from Wood River who talks about the skunks in this . . . the government that they're going to get rid of if they get in here.

I'll tell you how they operate, I'll tell you how they operate. They don't bring in credible individuals. They'll just do this on their own, attacking public servants, attacking the people of Saskatchewan.

Mr. Speaker, we are going to follow an appropriate process. In this case PricewaterhouseCoopers, one of this continent's pre-eminent firms, now being accused of providing whitewash by that opposition. It's unbelievable.

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

## INTRODUCTION OF BILLS

### Bill No. 213 — The Tobacco Control Amendment Act, 2002

**Mr. Gantefer:** — Thank you, Mr. Speaker. I'd like to move first reading of Bill 213, The Tobacco Control Amendment Act, 2002 be now introduced and read a first time.

**The Speaker:** — Order, order. Members, I think this is enough. If there's anything important left to say, I'm sure you can put it on record later.

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

### Bill No. 214 — The Balanced Budget Act, 2002

**Mr. Krawetz:** — Thank you, Mr. Speaker. Mr. Speaker, at this time I'd like to move first reading of Bill No. 214, The Balanced Budget Act, 2002.

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

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

## ORDERS OF THE DAY

### WRITTEN QUESTIONS

**Mr. Yates:** — Thank you, Mr. Speaker. I stand today on behalf of the government to table written responses to questions no. 383 through 386 inclusive.

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

**The Speaker:** — Responses to 383, 384, 385, and 386 have been submitted.

## GOVERNMENT ORDERS

### ADJOURNED DEBATES

### SECOND READINGS

#### Bill No. 57

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Sonntag that **Bill No. 57 — The Automobile Accident Insurance Amendment Act, 2002** be now read a second time.

**Mr. McMorris:** — Thank you, Mr. Speaker. Mr. Speaker, it's a privilege to join into the debate on Bill No. 57, the auto insurance amendment Act, better known as no-fault, Mr. Speaker.

Mr. Speaker, this Bill is a real significant piece of legislation. No-fault insurance was put forward by this government seven years ago I believe, in 1995. And I remember, at that time when no-fault insurance was coming in, the controversy that surrounded it. There are a lot of people very concerned with the

whole issue around no-fault insurance and how it was going to impact them if they were ever in an accident, collision.

Mr. Speaker, the old system, although it had its faults, I guess I could say it wasn't perfect and it was expensive. And I know that after dealing with SGI a number of times and listening to some of the concerns that SGI had. The old system was . . . could have been looked at as being very expensive. But, Mr. Speaker, the whole question around no-fault insurance and whether this was the proper way to go, Mr. Speaker, was a huge debate in the province at that time and has continued to be a huge debate in this province ever since, Mr. Speaker.

This piece of legislation, as I mentioned, of course takes a lot of the accidents and claims out of the court system. It's settled through SGI on a balance sheet type thing where they say that you're eligible for so much, Mr. Speaker, and it really doesn't address a lot of times the pain and suffering that a lot of accident victims go through.

And, Mr. Speaker, I remember at the time we were talking about no-fault insurance, in 1995 I believe is when it was introduced, some of the concerns around it. There were other provinces that were in the no-fault insurance program. They had moved from a tort type system into a no-fault program and had been in that program for a while. And there were some major concerns coming from other provinces.

I don't know if there was a province that had implemented the no-fault insurance program that didn't have a group form in that province shortly after with . . . showing concern, and complaints, and injustices that were taking place in those provinces through the no-fault insurance program, Mr. Speaker. And, Mr. Speaker, those — I guess we could call them lobby groups — were strong in other provinces. It didn't take long for this province to — once we introduced the legislation — to get those same type of groups active in our province because, Mr. Speaker, the no-fault insurance program did have some major flaws, Mr. Speaker.

And I guess it's refreshing to see that the government, after seven years of forcing this program on residents of Saskatchewan, is perhaps finally listening to some of the concerns that the Coalition Against No-fault has put forward. Mr. Speaker, I don't know if there is an MLA (Member of the Legislative Assembly) in this province over the last seven years that hasn't had a constituent come to them and complain about the program as it is in existence today. As the program was put into existence seven years ago, Mr. Speaker, and I . . . As I have only been a sitting member for the last three years, Mr. Speaker, I know I've had calls, many calls on the injustices of no-fault. And certainly I'm quite sure that a number of the members that were in this Legislative Assembly before me had numbers of calls regarding it.

As a matter of fact, Mr. Speaker, I think there was so much concern around the no-fault legislation when it came into place in 1995, seven years ago, I think there was so much concern around it that it wasn't only people from the street, people that had . . . involved in collisions that were raising concern about it, I believe there is some members on the government side that were very concerned about the introduction to no-fault insurance, Mr. Speaker. And we've got some reports and

certainly some evidence that that was the case, that certain members on the government side were saying, this is not the program to go to.

They're having trouble in other provinces. We realize that the tort system is very expensive. But to throw that out completely and go to a no-fault insurance program with the troubles that we have seen in other provinces is just irresponsible, Mr. Speaker. To think that you can just address it by changing the whole way the system had worked and go into a no-fault insurance system, Mr. Speaker, is irresponsible of that government of that day. And unfortunately, Mr. Speaker, it has taken seven years before this government has acknowledged that.

Mr. Speaker, right now, the government is looking at introducing this legislation and looking at opening up the no-fault legislation and allowing people to opt into a tort-type system, Mr. Speaker. And that is, I think, a recognition that the system that they had put into place many, many years ago was faulty. Even though it's called a no-fault system, I think it had definitely many, many faults.

Mr. Speaker . . . one of the issues that I remember at the, at the time, when no-fault was coming into place, was the whole issue around people that were involved in collisions with impaired drivers. The person was impaired, driving while impaired, sometimes extremely impaired no doubt, probably two, three times the legal limit, and they go through a red light because they . . . of course their senses are dulled and they're not quite sure, they're disoriented and they're not sure where they're going and they collide with a person that is going through a green light.

For example, I know of a couple of situations back in my days dealing with traffic safety where a person would be going through a green light and an impaired driver went blowing right through a red light, and in the one situation, I know there was a fatal, multi-fatal where a couple of people were killed, but the people that survived the collision had severe injuries, real severe injuries, and there was lots of pain and suffering that went on. And unfortunately this person had no ability to take any recourse on the impaired driver. The impaired driver was not looked at as at fault per se, because the victim could not sue the driver — the no-fault system wouldn't allow for that.

And really, I remember for years and years we have been working to try and reduce the number of impaired drivers in this province, and in one fell swoop with the no-fault . . . introduction of no-fault insurance, it seemed to condone impaired driving.

Now I know that was not the intent of the legislation, but certainly a person that was convicted of impaired driving in a collision didn't have to worry about the victim coming back on him because of a result of his actions — being out on the road driving while impaired and getting into a collision, Mr. Speaker.

So there was some major, major problems with the no-fault insurance, and that being one of the more common issues — that a person could be on the road driving illegally. And it didn't have to be impaired driving. It could be driving while suspended, it could be a number of . . . driving under the

influence, it could be over .08. It could be a number of issues where a person was driving that shouldn't have been on the road causes a collision. And I could just say I was fortunate enough through those years to have not been involved in a collision.

But what would you feel like if you're involved in a collision where a person that was impaired, should have never been on the road in the first place, gets into a collision with you and you have absolutely no recourse but what SGI is allowing for pain and suffering — no recourse to go back after that driver because of his actions.

And, Mr. Speaker, I know there was case after case after case. We had many, many e-mails and calls into our office regarding no-fault insurance, as did, I'm sure, the other 57 members that sit in this House have issues on no-fault insurance, Mr. Speaker.

Well finally this government has recognized, as I mentioned after seven years, that there is a problem and they're looking at opening up the no-fault insurance and going . . . giving drivers the option of no-fault or moving towards a tort type of system. This Bill allows the people to opt into a so-called tort system or the premier option. It has a \$5,000 deductible for pain and suffering, plus the option to decide whether or not to pursue court action.

(14:30)

And I realize that at the time that no-fault insurance came in, some of the lawsuits that were being handed out, some of the lawyers that would take a collision and a accident victim and they'd go to court and they'd sue the driver. And SGI would then have to, because they were the insurer, have to make some very, very huge payments. And it was getting so that it was almost unbearable. I mean insurance rates were rising I guess throughout the nation because some of the lawsuits were going higher and higher and higher. And this was the way that the government thought that they could somehow counteract that.

But what they failed to realize is that yes, they kept a lot of the . . . they kept the settlements down, but through legislation not through what was just. Perhaps it was just for a person to be awarded a sizable sum because of the collision that they had been in.

We've had many groups look at this Bill. The Law Society has some questions about Bill 57, the insurance companies have questions as well. Insurance companies want to know if the plan is workable or how they will be able to explain the differences in the two systems to the customers. And that does raise some concerns.

You know, you've got two systems running parallel now. You've got the no-fault system here which we've been under for the last seven years. And you'll be having a parallel system run that allows victims to sue — a tort-type system. And how will those two systems run parallel? And it does raise a lot of questions.

I'm certainly no lawyer but I know a number of lawyers will be concerned. How does it work if a person comes through the province and is involved in a collision with a person that's

under the no-fault system, or the person is involved in a collision with a person that has opted for the tort system? How is that all going to work out? How will the court systems adjust? There are a number of questions to be answered.

And unfortunately I don't think we want to pass the Bill through right away to say, see how it operates and then answer the questions after there's been a collision, after there is . . . somebody's felt that they could sue and now can't sue, and there's just a number of questions that surround that.

A big question here is also why it has taken the NDP seven years to admit that they were wrong — seven years. Since 1995 members from this side of the House have been bringing forth cases and as I'd mentioned, e-mails and faxes to our office. Had a number of people come in and visit in our office and really have some concerns.

The one fellow that I can think of is a fellow that I've known for many, many years, a young fellow — just a year or two younger than I am, very young — and he was in a collision many, many years ago. He has been off work for a number of years. It was a fellow that I remember quite well. They lived relatively close to where I was born and raised. He was a hockey player. I remember playing hockey against him many, many times and the odd time with him. And he was involved in a collision . . . (inaudible interjection) . . . and he was involved in a collision — he was a very good hockey player, as a matter of fact, and unfortunately was involved in a collision — and as a result of this collision he hasn't been able to go back to where he was working before. He's got some neck and spinal injuries and he's had some real, real problems with dealing with SGI.

And, Mr. Speaker, I know I've pursued the case different times for him and it seems like we run into roadblock after roadblock. But one of the issues was is that he had no other option. He had to deal with what the ruling of SGI was. There was no further option that he could take this case further and perhaps go through the court system to try and gain some further compensation for the collision.

He couldn't go through the court system and go after the driver that was at fault in this collision because according to the fellow that I've talked to, he was at not . . . he was not at fault. The person went through a stop sign or a yield sign and they were in a collision. And as a result, this victim has no option to pursue any further. The ruling of SGI was where it was at.

And he's just run into all sorts of trouble with SGI and the victim has had nothing but trouble and, as a result, is still in a bit of a battle with SGI and is very, very interested in the whole no-fault coalition . . . the coalition against no-fault and has been to many of their meetings and followed them very, very closely, and I know is waiting very interested . . . is very interested in this legislation, Mr. Speaker.

So while there are many parts of the Bill that are laudable, there are many, many questions that need to be answered. And, Mr. Speaker, until some of the lawyers, until some of the people that are involved with no-fault can see the Bill and ask more questions, Mr. Speaker, this Bill does need to be held up for a while so that people have a chance to hear their voice.

I think that is one problem that has happened over the last seven years is that there have been many, many complaints. But unfortunately this government has failed to listen to the complaints of many, many of the citizens of this province regarding the no-fault insurance.

So, Mr. Speaker, at this time, I would move to adjourn debate on Bill No. 57, the no-fault insurance Bill.

Debate adjourned.

### Bill No. 61

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Nilson that **Bill No. 61 — The Regional Health Services Act** be now read a second time.

**Mr. Wiberg:** — Thank you, Mr. Speaker, it's a pleasure to rise this afternoon to make a few comments about Bill No. 61, The Regional Health Services Act.

Mr. Speaker, I've had the opportunity in the last little while to look through the Act to some degree, and certainly to go through the comments that the minister made, the member from Regina Lakeview, in regards to this Bill, why this government felt so strongly that they needed to bring this Bill in.

It's interesting, Mr. Speaker, this government, this NDP government, has decided that after spending the tens of thousands of taxpayers' dollars in this province to study health care, they commissioned Ken Fyke to bring a report to them, as we see by this Act now obviously that that report is doing nothing more than gathering dust in our archives.

And that's unfortunate, Mr. Speaker, because certainly the report had some good parts to it. Certainly on this side of the House, Mr. Speaker, there was some aspects of the report that brought a great deal of concern to us, but there was a bit of a game plan in there that, from a provincial standpoint, that this government could have used when we look at health services and the delivery of health services in this province.

And as we look at this Act, Mr. Speaker, and then reflect back on the report by Mr. Ken Fyke, it has a great deal of concern that this government has done nothing more than file that report and decided to go their own route anyway. They've decided to go their own route anyway, Mr. Speaker, and for all intents and purposes, do nothing. They've taken a deck of 32 cards and thrown 20 of them away, and will say, well we'll just play with 12 cards now. But the reality is that's basically what they're going to do.

It makes you very concerned that those . . . us members on this side of the House, Mr. Deputy Speaker, why this government felt so strongly that they needed to reduce the amount of health regions, health districts in this province — reduce from 32 health districts, down to 12 health regions. Regions now this government is going to call them, Mr. Speaker, and what they hope to accomplish from that.

We certainly know that this government feels very strongly that we're over-governed in this province. Of course, those of us on this side of the House are convinced, and we know that to be

true by talking to our constituents, that the people of Saskatchewan feel quite strongly they're over-governed by the NDP government, Mr. Deputy Speaker . . . Mr. Speaker.

They feel quite strongly it's not a matter of being over-governed by health districts, it's not a matter of being over-governed by municipalities, it's not a matter of being over-governed by school boards, it's a matter that they feel over-governed by this NDP government with the regulations and the legislation that they have in place to control virtually every aspect of our life in Saskatchewan.

That's what the people of Saskatchewan are concerned about, Mr. Deputy Speaker. It is not the reduction in health districts down to 12 health regions that people are concerned about. The fact of the matter is the people of Saskatchewan, Mr. Speaker, were highly concerned that the 32 health districts that are already in place really had very little teeth — very little teeth, Mr. Speaker — and were not able to operate their health districts in an appropriate and prudent manner.

Mr. Speaker, we've heard comments in the past by previous Health ministers prior to the present Health minister where they felt quite strongly that the present health districts really should have no more authority than to order the broccoli and which brand of bathroom tissue, Mr. Speaker.

And so it leads us to be concerned then, if this government feels quite strongly that if you're going to have health districts — or now under this present legislation, should it ever get passed, is that we're going to 12 health regions — if you're not going to allow them the authority to make day-to-day decisions, to become part of the decision making, Mr. Speaker, then what is the point of even having them?

Because at least in the past there was some opportunity with the 32 health districts when we have elected health boards. And of course in the past these boards, two-thirds of them, eight out of twelve on the health districts were elected. Four of them were appointed by this government.

Of course this government always has to find ways and means, Mr. Speaker, to be able to appoint, to be able to appoint their friends into positions of so-called authority, to make them feel as though they're having some sense of responsibility to protect their government.

But what is important here, I think, to remember is that at least under a democratic process, at least under a democratic process there was an appearance that the 32 health districts had some authority.

Of course when you study the Act and understand clearly the responsibilities of the district health boards and the responsibilities of the Health minister, it was quite easy to understand, Mr. Speaker, that the real responsibility lies actually with the minister. The real responsibility has always lain with the minister and that the 32 health districts really had no responsibility, and it was very unfortunate.

Some very good friends of mine over the years have been involved with the health districts, Mr. Speaker, and certainly it was one of the things they clearly pointed out to me was the

frustration that they had with being able to provide quality health care — quality health care, Mr. Speaker — in our area of the world. And for myself I found that very disconcerting that this government felt so strongly about having weak and ineffective health districts that they had to strip them of power and lay the responsibility at the feet of the minister.

And now what we see, what we see here, Mr. Speaker, is an Act that it even goes even further — it goes even further. This Act starts out very clearly and the minister states that from now on there will only be 12 health regions, that health will be provided on a more regional basis, Mr. Speaker.

Well let's take a look at these health regions just a little bit, and I want to refer to my area, Mr. Speaker. There's been an amalgamation — a forced amalgamation — by this NDP government of the Prince Albert Health District and the Parkland Health District, which takes in a very large area of central Saskatchewan. Those were two very large health districts to begin with and now they've been amalgamated.

But what's . . . what we find very concerning — we're very concerned about this, Mr. Speaker, up in the Prince Albert area — is that this government just seems to have taken the existing . . . the previous boundaries and simply eliminated a line in between them, in between health districts and formed these new health regions.

So what we have in the Prince Albert region is that we have a region that it comes about halfway between Prince Albert and Nipawin and goes almost, almost to North Battleford, Mr. Speaker, taking in several communities west of Blaine Lake. Mr. Speaker, Blaine Lake is about halfway between Prince Albert and North Battleford.

So you can see that there's kind of a natural, probably a natural boundary in there, although Blaine Lake's more natural trading area is the city of Saskatoon. But the boundary for the Prince Albert health region goes even farther west than that. It goes halfway between there and North Battleford.

And so then we have communities, Mr. Speaker, whose natural trading pattern is the city of North Battleford, who are inside the Prince Albert health region. This is going to make things very disjointed for those communities, Mr. Speaker, and it causes a great deal of concern on this side of the House why this government, if they wanted to reduce the amount of health districts that were in this province, Mr. Speaker, that they wouldn't have taken a look at this issue in a more holistic manner and actually used the city of Prince Albert's natural trading patterns rather than just go hokus-bolus about creating health regions.

(14:45)

But even of greater interest, Mr. Speaker, is that when we take a look at the Prince Albert health region is the appointment of the board members, and certainly the board members have been appointed from the entire region on a reasonably representative basis. But the chairman of the board of the Prince Albert health region is . . . lives closer to North Battleford than he does to Prince Albert. And so then, Mr. Speaker, this chairman of this new board, this new regional health board that's going to be

created, has much more familiarity with the city of North Battleford than he will with the city of Prince Albert.

And I think that the people, the citizens of Prince Albert, the 34,000 people that live in Prince Albert, should be and are concerned about this, Mr. Speaker, that why this NDP would appoint someone who has clearly indicated in the past that his primary . . . he feels his primary responsibility, Mr. Speaker, is to support the NDP Party at all costs and he was appointed to this position because of affiliation with this NDP Party and not because of his ability to deliver quality health care in this province, is now, is now going to be chaired by a person who lives almost to the city of North Battleford and he's the Chair of the Prince Albert . . . Prince Albert health region.

We already had problems in the past around this issue, Mr. Speaker. Certainly we saw before when at least two-thirds — sixty-six and two-thirds per cent of the health . . . district health boards were elected — at least there was some sense of, some sense of democracy involved around this although the people from the Prince Albert Health District were very concerned that . . . with the four appointments that were always brought forward for the board.

Because in the past, as people of Prince Albert region already know, that there was one appointment to the Prince Albert Health District Board who actually lived outside, outside the district. And it was actually from the town of La Ronge. Well the town of La Ronge already had their health district. So the town of La Ronge had representation on the . . . on their health district but they had representation on the Prince Albert Health District.

And I'm sure if we take a look around the province as how that's unfolded, it . . . did it happen in the city of Saskatoon, Mr. Speaker, in the Saskatoon Health District? Were there . . . was there people from Prince Albert appointed to that board to represent the city of Prince Albert there?

And it's these kind of concerns that are being brought forward, Mr. Speaker, that lead us on this side of the House to believe that this kind of an Act, brought forward in a willy-nilly type of fashion, is that . . . What this government is doing is bringing about legislation, is bringing about legislation, Mr. Speaker, to hide the fact that they're completely devoid of new ideas. Their idea bank, their bank of ideas, is completely depleted and now . . . So they come up with Acts like this to make it . . . at least give an appearance. They're trying to give an appearance that they know what they're doing. And of course when you go into the Act, you go through the comments that were made by the minister, you find out that what we have here is a government just scrambling in circles trying to come up with some new ideas, and not doing a very good job of that, Mr. Speaker.

One of the biggest concerns around this whole idea, Mr. Speaker, of having, of having these new health regions and the eight-member boards that are going to be in place — we understand that they have an eight-member board — is that they're going to be entirely appointed. They're going to be entirely appointed, Mr. Speaker.

This government has become, has become so fearful of democracy that when they created these . . . Regional Health

Services Act is that they felt, in order to gain the upper hand in regard to this situation, Mr. Speaker, is that they're going to have to appoint these health boards so that they can have their own people, their own people in there, Mr. Speaker, looking after that, covering up for this government and their own incompetence, rather than have the people, rather than have the people of the region, Mr. Speaker, become involved in the election of these managers, these managers of the . . . of our regional health services.

And that's a great deal of concern to us on this side of the House, Mr. Speaker. Why would this government be so fearful of democracy that they're going to have to have appointed boards, appointed boards, Mr. Speaker? Why could they not have had fully elected boards? And why are they . . . feel so strongly that you have to get away from local elections to break down the democratic process in the province of Saskatchewan?

It leads us on this side of the House, Mr. Speaker, to be very fearful of the motives of this NDP government, when a government becomes so devoid of new ideas that what they have done is attack the very democratic process of this province.

Now this . . . the minister has also stated that he wants to help, he wants to help these regional health authorities, Mr. Speaker, so that they have a broader range of ability to be able to tap into the strengths of the region, to tap into the strengths of the region, Mr. Speaker. And so what the minister is doing, and as we see by this Act, Mr. Speaker, is that he is establishing a community advisory networks. In each region there'll be a community advisory committee.

Well, Mr. Speaker, the best process . . . those of us on this side of the House in the opposition party, the Saskatchewan Party, clearly understand the best process for advising, advising the members of the regional health authority is an election. If you do that, Mr. Speaker, that solves the problem of people trying to understand what's going on in their communities, rather than get locked away in a little backroom and trying to promote the agenda of the NDP in this province when it comes to health care.

So they're establishing community health committees to advise, to advise the health districts on the needs of the region. It leads you to wonder, Mr. Speaker, why we would need an appointed regional health authority; we'd need to have an appointed community advisory committee in order to run our health regions, Mr. Speaker. We're back to where we were before.

They were concerned that there was, there was too many health districts in this province; there was too many people being involved in the delivery of health care in this province from an elected capacity. And so then what they've done is completely get rid of the elected authority and replace them entirely with an appointed authority.

Mr. Speaker, we know that this NDP government is highly in favour of appointing their party hacks and flacks, the party faithful, to positions of cover-up for their initiatives — or lack of initiatives would be a better term, Mr. Speaker — complete lack of initiatives in regards to health care. And so you appoint party hacks and flacks who then come forward and they're

going to carry around, carry around the paint can, Mr. Speaker, with the whitewash. And of course this government, this NDP government is extremely familiar with whitewash. They're applying it to the regional health services now, Mr. Speaker.

And of course, being as that they're familiar with it, involved with the former minister of SERM (Saskatchewan Environment and Resource Management) and certainly dealing with it now with the present minister of SGI and the CIC (Crown Investments Corporation of Saskatchewan), who seems . . . they seem to be more interested in whitewash than they are in providing services to the people of Saskatchewan.

And it leads us to be very concerned on this side of the House, Mr. Speaker, when you see an Act like this, Bill No. 61, where this government is trying to, trying to give the appearance that they know what they're doing.

Of course when you go through the Act, you go through the minister's comments, you can see that this is a government just stumbling along and certainly we're very familiar with that on this side of the House. And, Mr. Speaker, the people of Saskatchewan are well aware of it. They get through the media that we have a government here stumbling along.

We take the farmers of Saskatchewan. Instead of being represented appropriately in Ottawa, Mr. Speaker, this government has been bumbling along and hiding, hiding in Regina, hiding behind pieces of legislations like this Bill No. 61, telling the people of Saskatchewan that we have a vision and we have a plan, until you read what their plan is and it's completely devoid of ideas. And what they're doing is breaking down the democratic process in this province.

And it leads us to be very concerned on this side of the House, Mr. Speaker, why this government feels so strongly that they need to work towards, need to work towards the undemocratic process of appointed health boards. Because we know very well on this side of the House that democracy is alive and well in this province. And to find that out, Mr. Speaker, all we have to do is ask the Premier to simply cross the pond over to the offices of the president of CIC and ask for permission to call an election. And then we'll . . .

**The Speaker:** — Order, please. The member is diverted somewhat from the motion under discussion and that is Bill . . . second reading of Bill No. 61, The Regional Health Services Act. So I would just bring the member back to order.

**Mr. Wiberg:** — Mr. Speaker, certainly I understand that the government is extremely upset when you get looking at this Bill and knowing that they are very concerned about the de-democratization of the province of Saskatchewan. It almost leads you to wonder where they're going to go next. Are they going to start appointing, start appointing municipal councils? Are they going to start appointing health . . . or school councils?

So when you see that . . . when you see a Bill like this where they are appointing health boards in this province, you wonder on this side of the House . . . we're really certain on this side of the House, Mr. Speaker, the direction, the future direction this province is . . . this NDP government is going. And that's why we, on this side of the House, when we see a Bill like this think

it's absolutely crucial that the president of CIC call an election in the very, very near future.

We also see, we also see, Mr. Speaker, that what this NDP government in their ability to deal, to actually deal with issues, is that they are going to create a surgical registry. They are going to create a surgical registry, Mr. Speaker. They want to know who . . . They want to know who is in the waiting system for surgery in this province.

Now one of the things we already know, Mr. Speaker, is that the health care professionals in this province are fully aware, Mr. Speaker, of who is requiring surgery. So requiring . . . so putting in place a surgical registry is merely another bureaucratic mumbo-jumbo in order to provide opportunity for the minister to become more involved in the health care system in this province.

What we've been requesting on this side of the House, Mr. Speaker, amply led, amply led, Mr. Speaker, by the member from Melfort-Tisdale, who has indicated very clearly that he has a much better direction for health care in this province than the present minister and certainly a much better, clearer direction for health care in this province than the entire NDP caucus, is that what we need to do, Mr. Speaker, is reduce, reduce the waiting lists for people requiring surgery and not setting up a registry so that we know who they are. It's irrelevant; it should be irrelevant to those of us who are elected and to the Department of Health who they are and what kind of surgery they require.

What's relevant, what's extremely relevant in regards to this issue, Mr. Speaker, is that the problem be taken care of. We need to . . . We have a problem with too long a waiting list for surgery in this province, Mr. Speaker, and this government instead of taking care of and looking after these people and making sure that they get the surgery that is required so that they can lead healthy, normal lives, what this government is planning to do is to register them, is to register them.

Now we're already having a problem in this province. We have a federal government that wants to register guns, and we've got a provincial government wants to register people who require surgery. I think it would be more appropriate if we started having governments who actually looked after the issue in regards to surgery rather than have them registered.

Because we know very well, we know very well, Mr. Speaker, on this side of the House, on this side of the House, the members here have been very clear in the direction that when we become the government there will be shorter waiting lists in this province, Mr. Speaker. And that's what's going to happen when we become the government and not have to worry about registering, registering people, Mr. Speaker, to find out who requires surgery and what the surgery is required for.

What is amazing as we look at this Bill, Mr. Speaker, is that the minister in his preamble has talked about consultation, consultation with our health partners. We'd sure like to know on this side of the House a very clear picture of who that minister consulted with or even better yet, Mr. Speaker, who his officials, who his officials might have consulted with.

Because on this side of the House when we have consulted, when we have consulted with health care professionals, health care professionals, Mr. Speaker, about this issue of health care in this province, we have a very clear understanding, Mr. Speaker, what the issues are in regarding to delivering quality health care in this province inside, inside the fiscal restraint that this government is operating under.

And certainly there is a restraint in this province. Although we know that this government has certainly been willing to throw dollars at the health care system, it is certainly not manifesting itself back into those people who are requiring health care services in this province. And that concerns us a great deal.

(15:00)

We have, I believe it's been mentioned many times, Mr. Speaker, that we . . . the Saskatchewan government on a per capita basis has the second highest health care costs in the country of Canada. We have the second highest health care costs in the country of Canada and yet, and yet we look at what this minister is offering. He's offering surgical registry and talks about consulting with health care partners, and yet we have the longest . . . we have the longest surgical waiting lists in Canada.

And so how does this kind of an Act translate from reducing surgical waiting lists in the province of Saskatchewan? Or is the reality of this Bill, Mr. Speaker, is that the Government of Saskatchewan, this NDP government led by the member from Saskatoon Riversdale — sort of led. He takes his marching orders certainly, we understand on this side of the House, from the chairman of the Crown Investments Corporation. Is that what is happening here is that they are simply shuffling the deck? Shuffling the deck and cutting the deck in half.

They're going from 32 health districts to 24 . . . or to 12 health regions, and they think that this will make health care in this province much better. Well certainly on this side of the House, Mr. Speaker, those members over here — the Saskatchewan Party — understand very clearly, very clearly, that it's going to take much more than that to fix health care in this province.

And what it will probably require, Mr. Speaker, it's going to require an election to fix health care in this province. And certainly the people of Saskatchewan are looking forward to that day because health care . . . health care needs to be fixed now, Mr. Speaker. We can't wait for another four years or eight years until this government — NDP government — might decide that they want to do something.

And certainly the people of Saskatchewan know that they're not going to have to wait that long. When we take a look at this Bill, this Bill No. 61, Mr. Speaker, the people of Saskatchewan — now that they're becoming better acquainted with it — know very well that this NDP government, completely devoid of ideas, has decided that we're just going to shuffle the deck around a little bit and from then on we'll hope that people won't notice that surgical waiting lists in this province are the longest in Canada, that they're actually growing.

There's been a significant loss of nurses in this province, Mr. Speaker, and this is what the NDP government is hoping to do

with this Bill, is hide the fact of their mismanagement and incompetence of the health care system in Saskatchewan.

And so, Mr. Deputy Speaker, I think it's important that we take a look for a minute here at how this might affect the Prince Albert Health Region, this kind of a Bill.

Well, Mr. Deputy Speaker, I was very proud when I first read the Ken Fyke report and he talked about the city of Prince Albert and the health care services that could be — that could be — in Prince Albert.

Now we look at this Bill and we see what is not going to be in Prince Albert, and we take a look at the Fyke Commission report and understand what should have been in Prince Albert. Ken Fyke talked about Prince Albert being a tertiary centre for northern . . . for central and northern Saskatchewan. That's what he talked about in that report.

Is there anything, is there anything in this Bill, Mr. Deputy Speaker, that's going to lead the people of Prince Albert to understand that there's going to be quality, higher quality health care for central and northern Saskatchewan.

Well, Mr. Deputy Speaker, I'm going to point out very clearly in this House that there is no indication in this Bill that anything like that is going to happen. The health care professionals in Prince Albert, Mr. Deputy Speaker, have been trying to provide a health care facility and system for the Prince Albert and district that would be second only to Regina and Saskatoon. But it's been like they've been beating their heads against a brick wall unfortunately, Mr. Deputy Speaker, because every time they try to come up with new initiatives, this NDP government, and this minister and his officials in the Department of Health have done everything they could . . . done everything they could, Mr. Deputy Speaker, to hold back the Prince Albert health region from achieving the goal that they've been working so hard to attain. And that is to provide high quality health care for central and northern Saskatchewan.

There's absolutely no reason, and the members on this side of the House and I've spoken with this a multitude of times, Mr. Deputy Speaker, with the member from Melfort-Tisdale about the issue of having a tertiary centre in Prince Albert serving central and northern Saskatchewan. And he agrees absolutely with that, Mr. Deputy Speaker, that the people of Prince Albert and the people of northern Saskatchewan — the people of northern Saskatchewan — deserve a tertiary health care system in Prince Albert that will serve to a very large degree the health needs, the pre-eminent health needs, Mr. Deputy Speaker, of the people from northern Saskatchewan.

And that's what is significantly missing in this Bill. And I think it's important for this NDP government to understand that again, that again they failed the people of the Prince Albert region. And certainly we know, we understand, Mr. Deputy Speaker, that the people of Prince Albert, the citizens of Prince Albert are very, very concerned that because of the lack of progress in this Bill to work towards quality health care and the reduction of, the reduction, Mr. Deputy Speaker, of surgical waiting lists in this province, that this health care Bill does not address the needs of the . . . of a significant loss of nursing staff in this province.

And certainly we understand very clearly on this side of the House, and the people in the Prince Albert — city of Prince Albert, and the Prince Albert Health District understand very clearly that what this government has decided to do is simply do a quick two-step and hope everybody will forget the problems that are facing the people of Saskatchewan when it comes to quality health care — to high quality health care in the province of Saskatchewan.

Mr. Deputy Speaker, of course the members of us on this side of the House, certainly in getting an advanced step on the members on the government side of the House have actually, have actually done some work on this Bill. We've provided this Bill to the interested personnel, people in this province who are very concerned about health care. And certainly they've come back to us stating very clearly their concerns in regards to this Bill.

But, Mr. Deputy Speaker, what we find very interesting about this process is that these people are saying, you know, we need to study this Bill even more, because we believe that we can come back with some very good ideas to create quality health care in the province of Saskatchewan. And, Mr. Deputy Speaker, it's incumbent upon members on the opposition side here to do that. We are going to do that; we are going to take the advice of the people involved in health care in this province and work towards achieving the goal of quality health care.

And so, Mr. Speaker, it's important that the people of Saskatchewan have that opportunity to participate in working through this Bill. And so I think it's important, Mr. Deputy Speaker, that we continue to wait to access that important feedback that is so necessary to debate a Bill such as this Bill No. 61.

Therefore, Mr. Deputy Speaker, I move that we adjourn debate.

Debate adjourned.

#### Bill No. 62

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Nilson that **Bill No. 62 — The Health Statutes Consequential Amendments Act, 2002/Loi de 2002 important des modifications corrélatives à certaines lois sur la santé** be now read a second time.

**Mr. Wiberg:** — Thank you, Mr. Deputy Speaker. It's a pleasure again to rise this afternoon when we looked at the previous Bill, Bill No. 61, and now we're looking at Bill No. 62 which is the consequential amendments Act in regards to the health statutes in this province, Mr. Speaker.

We understand . . . And certainly the minister was very clear in his remarks that when you make changes to the health regions, to the health districts, to go from 32 health districts in this province and how they are to operate, that they're not to be elected, that they're to be appointed, Mr. Deputy Speaker, that there's to be advisory committees involved with these health regions, that there's going to have to be some other changes that are going to have to be made, Mr. Deputy Speaker.

And so what we have here then is the consequences of that. And



there's a myriad of Acts that are going to have to be changed to accommodate this fancy two-stepping by this NDP government in trying to hide the fact that they're devoid of ideas when it comes to health care in this province.

And I think it's important as we look at Bill No. 62, is that the people of Saskatchewan have the opportunity to understand, Mr. Deputy Speaker, how many other Acts are actually affected by these changes by Bill No. 61, Mr. Speaker, and why we need Bill No. 62.

And so we have in front of us The Health Statutes Consequential Amendments Act, 2002. Certainly we understand that one of the issues in regards to this is that the Act is both in English and in French and that requires legislation in regards to that.

But that there's more to . . . than that, you know, there's more to it than just the bilinguality of this Act, Mr. Deputy Speaker. There's changes, there's changes that are going to be have to be made to The Co-operatives Act. The Co-operatives Act in this province are going to be significantly affected, Mr. Deputy Speaker, by the changes to this regional Act, Bill No. 61 that has been proposed by the Minister of Health.

And it leads you to kind of wonder on this side of the House if people really have had the opportunity . . . Have these boards, have these co-operative health boards out there . . . and certainly we have one in the city of Prince Albert. And, Mr. Deputy Speaker, I want to, you know, to say that — and I'm quite proud of it — that my dad actually served on that co-operative health board in Prince Albert and was actually a very good friend of one of the doctors at that health clinic, maybe a name of some familiarity, might have some familiarity with this name, and that was Dr. Orville Hjertaas who was a close family friend.

And certainly, Mr. Deputy Speaker, it leads us to be very concerned that this Act with its . . . what we can also see has actually two facets to it. One is the multitude of consequences it has with other Acts in this provinces . . . in this province. But in the meantime, when we look back on Bill No. 61, we see that it actually does very little to address the concerns of health care in this province.

Mr. Speaker, we take a look at this and we worried about the effects that . . . this government is worried about the effects it's going to have on The Co-operatives Act. You know what we know on this side of the House, Mr. Speaker, is that the people who work with the co-operative health clinics in this province, their major concern, Mr. Speaker, is that the people of Saskatchewan receive timely and appropriate health care. That's their main concern, Mr. Speaker.

And that's not in any of this . . . these Acts, be it Bill No. 61 or Bill . . . most specifically Bill No. 62. What is in here that is going to reduce surgical waiting lists? What is in this Bill that is going to address the need for more nursing staff, professional nursing staff in this province? Well there's nothing in here. That's what co-operative clinics are concerned about, Mr. Speaker, is that there's quality and timely health care in this province. And there's nothing in this Bill to address that need. And that's what's important here that we need to remember,

Mr. Speaker.

And so how . . . the people of the co-operative health clinics are asking us for the opportunity, they're asking for the opportunity, Mr. Speaker, to be able to provide us with more information on their interpretation of the Act and the effect it's going to have upon them under the co-operatives Act. To them that's secondary, Mr. Speaker. What's most important is that they are very, very concerned about the effects, the negative effects, that Bill No. 61 is going to have upon them in delivering quality health care, high-quality health care in this province. Because it talks about reducing the amount of health districts down to 12 health regions in this province, that these members be appointed from the NDP pool of party faithful.

And what they're concerned about is that it's just going to continue to be more of the same. Not so much a shuffling of the deck, Mr. Speaker, as we often see the NDP do when they bring some Acts that they brought forward, is simply a shuffling of the cards, but they're actually getting rid of how many cards that the people of Saskatchewan they get to play with.

And so then we know, Mr. Speaker, on this side of the House, that co-operative health clinics in this province are very concerned that these Bills do not address health care and the delivery of health care in this province, but rather are designed to give the facade that this NDP government might know something about what they're doing when it comes to health care.

But the people of Saskatchewan, Mr. Speaker, are not fooled by this NDP government. They know very well that the only thing that's going to fix health care in this province, Mr. Speaker, is a general election. Because that's what it's going to take, Mr. Speaker, is a general election to fix health care in this province. It's not going to be changes to the co-operative health Act. It's not going to be changes to the health care in this province, and Acts such as this, that Bill No. 61 or Bill No. 62, but it's going to take the general election. And the members on this side of the House are looking forward to that day. And the members of that House . . . this House on this side of the House, Mr. Speaker, are looking forward to that day being here sooner than later.

(15:15)

Now we also see under this Bill, Bill No. 62, is that there's going to have to be some changes to The Interpretation Act which will correctly define the phrase, a duly qualified medical practitioner. Now, Mr. Speaker, it's odd that they're going to have to do some more redefining. It seems like this government, every time they bring a Bill forward, they bring something new. And it's not very long before they're bringing changes to it . . . who understand very clearly that you bring people in to help you write your Bills and bring them forward in a timely and dutiful fashion, and then within two or three or four years, this government is bringing them back with changes to them because they've left this out or forgot something else.

And here we see this again, is that once again they have to, they have to make changes to regulate the podiatric surgeons within The Medical Profession Amendment Act. And so that leads us to be a great deal concerned about how many, how many other pieces of legislation has this government brought forward

where there's been mistakes made and they're going to have make corrections.

Well the best way to expediate that process, Mr. Speaker, is to call a general election, and certainly the members on this side of the House then will do a very expedient process of making sure that all Acts in this province are taken care of in an appropriate manner and that the people of Saskatchewan are able to understand them and that they will serve the people of Saskatchewan.

And we also see that they're going to have to make a multitude of other changes, Mr. Speaker, under this, this Health Statutes Consequential Amendment Act 2002, Bill No. 62. They're going to have make changes to The Medical Profession Amendment Act. They're going to have to make changes to The Vital Statistics Act.

Well here we go again, Mr. Speaker — Vital Statistics Act. This government obviously . . . I, would wager, Mr. Speaker, that they have to make changes in The Vital Statistics Act so that . . . so what they can do, what this government can do is be able to keep track of who's on surgical waiting lists in this province.

We need to spend less time . . . this government, Mr. Speaker, needs to spend less time wondering who's on a surgical waiting list, what they're on a surgical waiting list for, and actually start dealing with the issue of getting people off of surgical waiting lists. That's what this government needs to be doing. And stop worrying about changes to The Vital Statistics Act and get down to the business, Mr. Speaker, of taking care of the people of this province and their health care needs that the people of Saskatchewan so desperately need in this very trying time under this NDP government.

And so, and so, Mr. Speaker, because of the intimate relationship between Bill No. 61 and Bill No. 62, I think it's important that, that we don't lose sight that these, these two Bills need to move in tandem. And there's still some work to be done, Mr. Speaker; that there are people out there who are still getting back to the Saskatchewan Party about how this, how this Bill, Bill No. 61, and consequently Bill No. 62, is going to affect them.

And because of that importance of that relationship that, at this time, I think we need to keep the two of them tied intimately together, and so then I would move that we adjourn debate.

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

Debate adjourned.

### Bill No. 70

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Higgins that **Bill No. 70 — The Labour Standards Amendment Act, 2002** be now read a second time.

**Mr. Elhard:** — Thank you, Mr. Speaker. Mr. Speaker, it's an opportunity to speak to a Bill this afternoon that has raised considerable concern in the constituency of Cypress Hills.

Bill No. 70 is entitled An Act to amend The Labour Standards Act. And as I have noted on previous occasions, Mr. Minister, some of the most difficult legislation, some of the most controversial legislation that is brought before this House by this government has been exceedingly short. You wonder how any government could move on such difficult legislation with such brevity.

I suspect, Mr. Speaker, that it's because the less they say about their legislation, the easier it will be to run from the consequences, and possibly leaving the more onerous provisions of their decision making to the regulatory part of any Bill.

Bill No. 70, An Act to amend The Labour Standards Act, Mr. Speaker, is one page long and includes just a very few brief portions.

The one that we're most concerned about today, Mr. Speaker, though is section (3.1)(c). It says:

“(3.1) For the purposes of subsection (3), the following are deemed not to be within the meaning of farming, ranching or market gardening.

And the following three categories are:

- (a) the operation of egg hatcheries, greenhouses and nurseries;
- (b) bush clearing operations;
- (c) commercial hog operations”.

That's an unusual group of enterprises to be lumped together in this particular piece of legislation, Mr. Speaker. But we want to deal specifically with the commercial hog operations that this particular Bill addresses.

One of the other things I noticed about this singularly short piece of legislation is that this Act is going to come into force on September 1, 2002. The assumption I'm sure by the government is that they could push this through without too much difficulty and have it proclaimed and into force by late this summer.

And if we looked at the consequences of this piece of legislation, the timing of it coming into force might actually be the smallest problem with this piece of legislation. Because there are a number of factors that have arisen as a result of looking at the ramifications of this legislation, that might have fairly significant detrimental consequences for this province as a whole and certainly for the economic opportunities available for hog production, especially in rural Saskatchewan.

Having said that, Mr. Speaker, I want to quote from some of the material that was provided to the official opposition by the organization that represents hog producers in this province. And basically what they want to do in this short piece of information is to lay out what exactly is the issue, why is it that the Saskatchewan pork producers are taking such umbrage at this particular piece of legislation?

If I may, Mr. Speaker, I'd like to quote from this document, it's only about 10 lines long:

In a November 2001 speech to the Saskatchewan Federation of Labour, Deb Higgins, the provincial Minister of Labour, announced that The Labour Standards Act would be applied to the pork industry.

Given lack of consultation with, and analysis of, the agriculture sector as promised in the 2001 Throne Speech and to the ACRE committee, this announcement was alarming.

Immediately following the announcement, Sask Pork initiated communication with the government regarding this situation. In fact, producers were granted two meetings with the Minister of Agriculture, Food and Rural Revitalization, as well as the Minister of Labour.

During January, a series of subjective interviews by a consultant were conducted to determine who the legislation would apply to and how this would be done legislatively.

In late April an employer/employee committee was established to determine consensus on the application. Employers included three pork producers representing the spectrum of the industry. Employees included one hog barn worker for Saskatchewan's only unionized, commercial hog operation and two non-industry employees — one from the Grain Services Union and one from the Communications, Energy and Paperworkers Union.

The "two sides" of this consensus building committee never met face to face and the discussions were cancelled after the first round of separated issues/presentations when the Department of Labour presented definitions for the Act.

The organization, Sask Pork, that represents pork producers in this province wanted to provide that summary of background information so that it could be made clear to those of us in the official opposition and to the general public who are concerned with this particular issue how this so-called consultative process unfolded. And it would appear from this brief summary that consultation was the last thing on the minds of the government.

Consultation was for public consumption, a process that looked legitimate. But in reality, Mr. Speaker, it did not meet what anyone would call the test of fairness. It didn't represent the standards that are required to achieve a fair, consultative result.

Mr. Speaker, the industry is very concerned that the public know and that we as legislators know, that with respect to action over the last few months to apply the Act to their industry, that they have clearly stated to the Minister of Agriculture, Food and Rural Revitalization, as well as to the Minister of Labour, the six following points.

First of all, Mr. Speaker, it is discriminatory from the industry's point of view to segregate the pork industry from the rest of agriculture and within itself.

Two, there must be clarity as to how this legislation will affect the 95 per cent of producers that are actually mixed operators.

Three, there must be clarity as to the intention to bring the rest of agriculture under the Act. I think that's a very important point, Mr. Speaker. This Act talks about the hog industry in particular but it is the thin edge of the wedge when it comes to applying labour standards to the rest of the agricultural activity in this province.

There must be clarity regarding how the government intends to define the family farm and how they intend to ensure the family farm is not affected by legislation.

Number five, there must be clarity as to how this legislation will affect Hutterite colonies, which actually represent, Mr. Speaker, 22 per cent of the provincial production. And in terms of application and competitiveness to the Hutterite colonies, this legislation is unclear.

And number six, there must be a thorough economic analysis to determine how this legislation will affect the growth and development of an industry that the Department of Agriculture, Food and Rural Revitalization has itself promoted and supported.

There's a number of recommended actions from the pork industry that the general public could take to raise awareness of this issue and I'm not going to get into a lot of that this afternoon. But I think that what the items I've just presented clearly indicate is that there is a significant amount of concern as to where this type of legislation might lead in the agriculture sector. There are at least six clearly defined areas, by Sask Pork, that need to be addressed, they need to be clarified, and which are completely ignored in this very brief piece of legislation.

And I think that when I look at the pork production in my own constituency, Mr. Speaker, there are not very many so-called commercial operations. But we don't even know for sure what commercial operations are. The Act doesn't define them. And I guess I would know that . . . I would believe that by anybody's standard a commercial operation would have to do with a business enterprise. But most of farming these days, Mr. Speaker, is considered a business enterprise.

And in the constituency of Cypress Hills, we happen to have more Hutterite colonies than any other constituency in the province. At last count I had 18, and another one was being constructed. So we'll be close to the 19 or 20 Hutterite colonies in the constituency of Cypress Hills.

Now as this particular piece of information points out, Hutterite colonies represent 22 per cent — 22 per cent — of the provincial production in hogs. Is this legislation going to affect and be applied directly to Hutterite colonies? I have no way of knowing; the Hutterite colonies certainly have no way of knowing. It's not mentioned in the Act at all — there's no definition, there's no clarity, there's no way of knowing whether this kind of legislation will be directed to Hutterite colonies.

Now on the sheer basis of size of operations — numbers of pigs from farrowing right through to finishing, Mr. Speaker — Hutterite colonies, by the layman's perception, would have a commercial hog operation.

So to have clearly ignored that particular element with this piece of legislation, I think, is troublesome — not for just the colonies that I represent, but for any colony in this province. But more than that, Mr. Speaker, it's also going to be a serious cause for concern for mixed farming operations in this province.

Mr. Speaker, we have a large number of farms that have diversified over the last decade or so, taking advantage of opportunities in pork production; maybe having timed the market so that they could get into the production of pork when prices were low, when costs would be minimized, so that when the turnaround in pork values happened, they would be able to capitalize on that changing price structure.

So we have a number, a large number of mixed family farm operations in this province that are significantly at risk due to this particular piece of legislation. And once again, there's no definition of what a family farm is, there's no definition of what a commercial operation is, and there's no way of securing any kind of certainty for the family farm operators in this province through this piece of legislation.

I think it's incumbent on the government to be much more frank and much more upfront about its ultimate intentions with the people of this province than this particular piece of legislation accomplishes.

And, Mr. Speaker, I think that that's one of the things that concerns the people of this province more and more on a daily basis. Too many times this government brings forth legislation with all kinds of platitudes and all kinds of hoopla and all kinds of promotion, but what they leave unsaid, Mr. Speaker, is much more of concern to the people that are going to be affected than what they say upfront.

(15:30)

Mr. Speaker, it's gotten to the point where the people of this province cannot trust the intentions of the government based on the legislation that they bring to this House.

Mr. Speaker, it is a travesty of justice to say to the people of this province, trust me. Mr. Speaker, the people of this province simply do not trust this government any longer and they have good reason not to trust them. Because too often, too often this government has come to this House with all kinds of plans and all kinds of promotion and all kinds of legislation that simply is irrelevant to the needs of the people, or even worse — or even worse — is negative, is consequentially negative to the people to whom the legislation is addressed.

And, Mr. Speaker, we just don't feel that we can support this legislation on the face of it. The legislation is weak, it's underwritten and, Mr. Speaker, it is flawed in many other ways as well.

The consultation that was talked about by the minister in the past . . .

**The Speaker:** — Order, please.

**Mr. Elhard:** — Thank you, Mr. Speaker. The consultation

process that the Minister of Labour indicated was so successful in many of her opportunities to defend this piece of legislation, was a sham. It was a complete and total sham.

Mr. Speaker, you can't have an honest process when the parties who are going to be affected most by the legislation aren't even at the table. Mr. Speaker, what kind of fairness does that speak to? What kind of consultation is that when the parties most affected aren't even at the table? Mr. Speaker . . .

**The Speaker:** — Order, please. Members will have ample opportunity to have their views put on record, but right now the floor belongs to the member for Cypress Hills.

**Mr. Elhard:** — Thank you, Mr. Speaker. The industry was invited once, the meeting was cut short, everybody was told to go home, and the government was going to go ahead and do what they wanted to do anyhow. That's consultation? Is that the kind of government we want? Is that the kind of intent? Is that the kind of fairness and integrity we expect from the government? I don't think so, Mr. Speaker.

And I would have to stand here and defend the interests of the pork producers on that ground alone, regardless of how The Labour Standards Act might affect the industry. Simply said, the process, the consultation that was spoken of by the minister, was patently unfair and unacceptable in this day and age.

Mr. Speaker, I have a copy of a media release presented by Sask Pork related to this particular part of the discussion that we've embarked on this afternoon. It's dated May 14 and if I may, Mr. Speaker, I would like to read this into the record. It's datelined from the city of Saskatoon and it reads as follows:

Sask Pork, an industry organization representing Saskatchewan's pork producers, took issue today with remarks made by the Minister of Agriculture in the Legislature on Monday.

Joan Steckhan, Director of Industry Development for Sask Pork, disagreed with the Minister of Agriculture that a consultation process on employment standards for the hog industry is underway.

"Unfortunately, (and I'm quoting here, Mr. Speaker) . . . "Unfortunately, on May 1 after only one meeting, the Minister's consultant cancelled the consultation process mentioned by Minister Serby. He told our representatives that there would be no further meetings," Steckhan said. "From the point of view of producers, there is no consultation process taking place."

"Our industry has repeatedly asked the Minister of Agriculture for meaningful consultation on this issue," Steckhan stated. "If the Minister of Agriculture could get a real consultation process started, producers would be very happy."

Mr. Speaker, if you can take this particular press release at face value — and I will — if you can take it at fact value, the producers were saying that they were prepared to negotiate. They were prepared for a meaningful consultation process. They were prepared to deal with this issue in a fair and

appropriate manner.

Mr. Speaker, the problem here is that the government decided that they knew better, that they knew what they wanted to accomplish, that they had an agenda, that they had a purpose to fulfill, that they had a promise to keep, and that they would do what they had to do for their own benefit.

Mr. Speaker, this is not just a flawed process; this is a corrupt process. And I don't believe for one minute that the people of Saskatchewan will continue to accept this kind of imposition on their lives and on their livelihoods without a serious consequence to this government.

There is a price to be paid when you trample over people's rights. There is a price to be paid when you ignore the best intentions and the best will of the people you are supposed to be representing. There is a price to be paid today and not just integrity. There is a price to be paid at the electoral ballot box at some day in the future, and that day, Mr. Speaker, is coming. This is just one example of the way this government has run roughshod over the rights and needs of the people of this province.

Mr. Speaker, one of the things you would think this government would consider is the consequences of their actions, especially when we heard earlier this year the results from the ACRE committee, the Action Committee on the Rural Economy. It was a committee of large numbers, roughly 50 people, who were specifically hand-picked by this government, who were given a wide-ranging opportunity to look at the needs of rural Saskatchewan, to address the issues of rural revitalization in the agricultural sector and in other sectors as well.

Mr. Speaker, that committee spent approximately a year and a half studying every angle, every issue that was presented to them for the best results of this province's rural economy. One of the things that that particular committee hesitated to undertake was a full position on labour standards as they would apply to hog production in this province.

So here we have the government's own hand-picked committee charged with the responsibility to undertake a serious study of the issues affecting rural Saskatchewan and after 18 months of deliberation the committee does not come back with a recommendation on labour standards in the hog industry — 18 months of study and no decision. In fact the ACRE committee, after looking at that issue for a considerable amount of time and with some very serious scrutiny, decided that much more study was required.

And one of the reasons that the committee wanted to look at that issue in a more intense way and for a longer period of time is they realized, the members of that committee realized, that any rush to an imposition of labour standards on the hog industry in this province would be detrimental to the efforts of rural revitalization in this province.

Labour standards of this level are not imposed on barns in our neighbouring provinces. Those are the barns that we compete with. Those are the economies this province competes with. The potential and the opportunity in the hog operations of this province, the opportunities are tremendous, Mr. Speaker, but

we are in a situation now with this particular legislation that will put us at a competitive disadvantage with our immediate neighbours.

Mr. Speaker, we've heard that before. In fact that's a common theme. We've heard time and time again that our neighbours to the east and to the west have an advantage. It's not a natural advantage, it's not even a legislated advantage really. What we have done in this province is handicapped our own selves. We have succumbed to the temptation to undermine the advantages that we have. This province has greater reason to succeed in the production of pork, far greater than either Manitoba or Alberta. And what have we decided to do? We've decided to impose a set of standards on our hog industry that are going to be more onerous than either of the provinces to the east or the west and we are competitively disadvantaged unnecessarily.

Mr. Speaker, we could have, we could have waited. The government did not need to rush into this decision. We could have waited for the final report by the ACRE committee on this very important issue.

We paid the people, we paid the people who sat on the ACRE committee substantial sums of money to put together their best effort on behalf of rural Saskatchewan.

We chose many capable people. We chose industry leaders. We chose people who had academic qualifications. We had people of all political persuasions on that committee. It was a well-intentioned, well-structured committee.

And we have decided, apparently, not to wait for their recommendations on this very difficult and sensitive issue. We have decided — and I'm speaking on behalf of the government when I say that; they have decided, I guess would be a better pronoun — to rush ahead and let the most considered opinions languish. They aren't waiting for the best minds to come to the forefront on this particular issue. They have decided to charge ahead and impose this legislation on the industry without hearing from the experts.

Mr. Speaker, that begs the question: why? What's the rush?

Well, Mr. Speaker, I think that's the nub of this particular issue. It's not that labour standards are necessary right now. It's not that our pig operations and our hog producers across the province are abusing their employees. It's none of those factors, Mr. Speaker.

The factor that comes to the forefront, when you consider the evidence and you consider the timing, the factor that comes to the forefront is that the Premier needs a clear and concise fulfillment of a promise that he personally made.

Mr. Speaker, that is the only impetus. That is the only factor that could drive a government to introduce this kind of legislation in this rushed way, without thinking this whole thing through, without waiting for the best possible advice from the select committee that was charged to look at this very issue.

This is a simple, this is a simple issue, Mr. Speaker. There is a promise to be fulfilled on behalf of the Premier made to people whose support he required in seeking the leadership of this

governing party. There is no clearer answer to that particular question.

Mr. Speaker, if every piece of legislation that was introduced in this province had that flimsy basis on which to be substantiated, we would be in dire straits. We're in tough enough straits right now. But if that was the best reason for introducing legislation, given any other situation, we'd be in big trouble in this province. And I might add, Mr. Speaker, that, knowing that this is probably the sole justification for this piece of legislation, we are going down a path that is going to bring us to big trouble sooner or later.

There has to be a better reason. There has to be a more specific reason. There has to be a greater benefit to the people who are going to be affected. There has to be a greater benefit to the producers that are going to have to meet the standards. There has to be a clearer benefit to the workers and the businesses of this province before legislation of this type is of real good consequence. And we haven't got that. We haven't got that in this particular piece of legislation at all. In fact we don't even know for sure where this legislation will lead us.

Mr. Speaker, I brought with me this afternoon a letter that was sent by an individual I happen to know who I will not name. But I'd like to read this letter. It was faxed to the Premier. And with it I'd like to do some comparisons between what one of the major pig producers in our province is offering to employees and what the standards are as provided by The Labour Standards Act.

If I may, Mr. Speaker, I'd like to read this letter dated May 2002, and it reads:

Dear Premier Calvert:

The expansion of pork production has been good for everyone in the province. Pork producers have created lots of direct and indirect jobs in Saskatchewan. We need this growth to continue. Don't hurt the industry now.

Pork producers create \$290 million of payroll in the province and pay over \$29 million in provincial taxes and \$7 million in municipal taxes. This is a significant contribution to the provincial economy.

I want to add my voice in support of this important agricultural sector. Please consult with Saskatchewan's pork producers before imposing legislation that will impact on the future growth of this industry forever.

And it's signed by the individual in question and his hometown is indicated here as well. And, for the record, if the members opposite question the legitimacy of this letter, they can ask the Premier for his copy.

(15:45)

Mr. Speaker, Mr. Speaker, I have here a comparison between the labour standards that are imposed by the current legislation and the actual standards of benefit given to employees by this particular hog operation.

And I'm just going to take a few minutes to do a direct comparison. In terms of annual vacation, labour standards says that you get 3 weeks after 1 year of service; 4 weeks after 10 years of service. But this particular producer offers their employees 3 weeks after 1 year, 4 weeks after 5 years, 5 weeks after 15 years, and 6 weeks after 25 years. That's a substantially better package for the employee.

In terms of public holidays, there's nine per year and a person working on an actual holiday is paid at double time and a half according to The Labour Standards Act. In this particular hog operation, of course there's nine per year of official holidays and a person working on an actual holiday is paid at regular time for nine hours and for extra time for the next eight hours.

In terms of the minimum wage which is what The Labour Standards Act suggests as an appropriate starting point — \$6.40 as of the writing of this particular comparison — but the particular barn I'm referring to here, the company, has as its starting wage, \$8 an hour. That's a fairly significant difference.

Hours of work, after eight hours in a day or 40 hours in a week, overtime is paid at time and a half according to labour standards. Now this barn offers straight time for all hours worked. And I'll explain how that might look less than labour standards minimum requirements, but how it actually may work out to be better for the employees in the long run.

In terms of personal days or sick leave days, labour standards requires none. But this company offers their employees three days a year. In terms of dental, life, and disability insurance, extended health insurance, labour standards requires none. But this company provides and cost-shares those very insurance coverages with their employees.

Workers' compensation is required under labour standards. It's not required by law, but it is provided by this particular barn. Dependent life insurance, none is required under labour standards — but it's company paid by this employer. Health benefit plan, none required by labour standards — company paid by this employer. A bonus program, none required by labour standards — this barn offers a staff option to participate in an incentive-based, bonus program which is paid quarterly.

What about the group RRSP (Registered Retirement Savings Plan) plan? Well none is required under labour standards, but in this particular barn, matching contribution plans exist after one year and it's enhanced at the 5-year and the 10-year increments.

So if we, if we took this particular comparison here, if you took a person who worked 90 hours a week every two-week pay period, for instance, a beginning employee would receive \$608 at minimum wage including 10 hours at overtime rate, using the labour standards wage scale. At this particular barn's wage scale, a beginning employee would receive a higher amount, an amount of \$270 . . . I'm sorry, of \$720.

For a public holiday, under the labour standards wage scale, a beginning employee would receive \$128 and similarly for this barn's wage scale, the employee would be paid \$136.

Mr. Speaker, overall this equates to a difference of \$2,984 per year higher under this particular barn's wage scale. That is a

significant amount of money. And this is being done willingly by an employer without the imposition of the heavy hand of government. It's being done because this particular operation understands the value of good employees and this barn is prepared to pay for good employees.

And I would venture to say, Mr. Speaker, that most employers whose livelihood depends on hog operation would know better than anybody how important good employees are. A hog barn is a very sensitive work environment. Hogs are particularly susceptible to disease. And if you have dissatisfied employees, if you aren't treating your employees right, if you're not treating them fairly, you're subjecting your entire investment to huge risk. No pig barn operation is willing to take that chance, Mr. Speaker.

And I do believe that the industry, even though in this particular case the options through their benefit plans will obviously be better for the employees, there is one consequence that this particular piece of legislation will effect. If an employer is willing to provide this because he wants to, because he realizes the benefit to the well-being of his investment by making this kind of offer to his employees, what about the imposition of The Labour Standards Act that will require certain overtime provisions at shorter hours of work, or at a sooner level, or won't allow the flexibility in term of hours worked or shifting or those types of things? When an employer is faced with the imposition of standards from an outside agency like this will be, then in order to make up the difference, the employer's going to have to re-evaluate the benefit plan that that particular employer has offered the employees.

And I think that what you'll see is some changes in scheduling, some hours of work changes as required by the new legislation, but we're going to find employees very unhappy with the sacrifices they're going to have to make to the benefits package they have been receiving to this date from their employers.

I'm not sure that employees have been told the truth about this particular plan. I don't think they know the consequences and quite possibly, Mr. Speaker, if they did know the consequences and were given the option of choosing the situation they were in — the benefits package from their employer or the benefits as being imposed on them by labour standards — I think, Mr. Speaker, that the employees would choose to accept their employer's plan.

Mr. Speaker, I want to read into the record today a part of a letter that one of the pork producing companies in this province has sent to employees and shareholders alike, because in that industry where you have local investment, many times there is an overlap. Some of the employees are actually shareholders. So I want to read into the record part of this letter that was sent to employees and shareholders on May 13 this year:

I especially want to recognize the concerted effort you've made to improve the quality of loads going to the market.

Here's an employer who recognizes the value of good employees.

The reports we share with you show tremendous improvements that are being achieved. Recent stories in the

news media have reminded me that there are still many misconceptions about careers in the pork production industry and I want to set the record straight.

I won't use the name of the company, Mr. Speaker, but I will just say:

Our company is a family company and it offers some of the best employment conditions and career opportunities of any industry in rural Saskatchewan or Manitoba. We have confirmed that our wage structure is competitive and we endeavour to operate a positive workplace where teamwork is emphasized.

As you know, we provide regular employee training programs and there are many opportunities for advancement. Working conditions in our barns are among the best in the industry. We also have a bonus system which recognizes the contributions you make to the overall performance of the barns. Soon you'll have an opportunity to participate in an employees' share ownership plan.

These are benefits and incentives you will not find in every occupation. We've made them a priority because attracting and maintaining a highly skilled and innovative workforce is key to achieving our vision to be the leading pork production system in the industry.

At this time I would like to draw your attention to an issue that threatens our future growth. The Saskatchewan government is planning to pass a new law imposing provincial labour standards on hog producers. This is being done without adequate consultation and ignores the unique nature of our business.

We have prepared the attached table (which I have referred to earlier, Mr. Speaker) which compares an employee's situation under The Labour Standards Act with the practices used by our company.

In proposing these changes, the government has painted our industry in a negative light when, in fact, the opposite is true. It fixes a problem that doesn't exist. If passed, the legislation will accomplish nothing except to drive investment out of Saskatchewan and reduce the number of jobs in rural areas. We are working hard to convince the government to reverse this short-sighted policy decision.

In conclusion, I hope this letter serves as a reminder of the tremendous success story that's being written in the pork production industry. We, in this company, are at the forefront of an industry that is bringing greater prosperity, economic activity, and a host of new career opportunities to rural communities. It's something we can all be proud of.

Thanks again for your efforts and have a great summer.

Mr. Speaker, this is a letter from an employer who cares about his employees and I believe it represents the intentions and the best efforts of hog producers throughout this province. I believe that the imposition of labour standards is using a two-by-four to kill a fly. It's overkill. And it simply is not what's necessary to achieve the best results for this particular province.

Mr. Speaker, we've gone through a number of the reasons why we think that this legislation is incorrect for this time. We've taken pains to look at why this particular industry could contribute in a much more significant way to this province. We've taken a look at some of the benefits offered by progressive employers in the hog industry.

The insinuation, the insinuation by the government that this is a big problem that needs fixing is clearly incorrect. It's not only incorrect — it's inaccurate.

Which reminds me, Mr. Speaker, haven't I heard that somewhere before? Didn't we have a minister somewhere talk about incorrect and incomplete information? Inaccurate, incomplete information. This government thrives on inaccurate and incomplete information. And they're using that to foist legislation on Saskatchewan's hog producers unnecessarily.

Mr. Speaker, this industry is so important to this province that I think that we should go over some of the basic economic factors that are related to the hog industry and how they contribute to the overall economic benefit and well-being of this particular province.

I have a copy of a study here prepared by a consulting group dated May of this year, and I'd like to just give a little snapshot sort of of the industry so that when people hear this discussion they realize the significance of the pork production business, that it isn't just a small rinky-dink little operation sitting in some farmer's backyard where he has a dozen hogs running around any longer. This is a significant part of the provincial economy. And I think that there's a lot of misconception and quite a little misunderstanding as to how important this industry isn't just for today but could be for tomorrow.

In the Prairie provinces, Saskatchewan ranks third behind Manitoba and Alberta in terms of hog production. In 2001, this past year, Saskatchewan hog production was at 1.8 million hogs compared to 3.3 million in Manitoba and 3.6 million in the province of Alberta. However Saskatchewan hog production hovered around the 1 million mark for a considerable amount of time from 1990 to 1997.

But since then hog production has steadily increased and production is projected to reach over 2 million hogs annually this year. And industry analysts estimate that hog production will continue to grow reaching production levels of anywhere between 4 and 5 million hogs in the year 2005.

Mr. Speaker, this particular industry has seen pretty significant growth since 1997 but the potential for the next three years is tremendous. No industry in this province will grow as quickly as the hog industry in the province of Saskatchewan over the next three years — no industry. And its significance to the province can't be overestimated, it's simply ... it's too important.

In 2000 — in the year 2000 — Saskatchewan surged ahead in hog production with hog livestock marketings increasing nearly 50 per cent to \$215 million, with marketings expected to rise again for the years 2001 and 2002.

The total employment impact of hog production and processing

in Saskatchewan is 8,250 jobs — 8,250 jobs related directly to hog production and processing. I think I mentioned this figure earlier but it generated \$289 million in employment income alone.

Now if current growth projections are accurate, the impact of the hog industry would more than double to 18,563 jobs by the year 2005. So that would have the potential to generate, if you could extrapolate these figures, something like \$650 million in employment income alone. That's simply money going into the pockets of employees in hog barns. That's a significant figure. That is a significant economic impact.

(16:00)

And if you look at the ripple effect of that kind of money going into the economy of these small communities, you're probably looking at five, six, seven times that amount in effect throughout the rural economy.

Mr. Speaker, we cannot afford to jeopardize in any way this industry. I would beg the government to reconsider the reason they're doing this, first and foremost.

But I would like them to reconsider the rationale. I don't believe there is a strong enough argument to proceed with this legislation and if we just took out the Premier's promise to some political supporters, we just got that out of the equation, this particular issue would die because it cannot be supported in terms of logic or benefit to the province.

Mr. Speaker, with that, I conclude my comments today and I would move to adjourn.

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

Debate adjourned.

## COMMITTEE OF THE WHOLE

### Bill No. 30 — The Liquor Consumption Tax Amendment Act, 2002

#### Clause 1

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

**Hon. Mr. Cline:** — Thank you, Mr. Chair. With me sitting to my left is Mr. Len Rog, who's the assistant deputy minister of the revenue division of the Department of Finance. And sitting behind Mr. Rog is Mr. Jim Nelson, who's the director of the audit branch of the revenue division of the Department of Finance.

**Mr. Krawetz:** — Thank you very much, Mr. Chair. Mr. Minister, the total purpose of this Act, of course, is to implement the changes announced in the Throne Speech which is that the liquor consumption tax rate will increase from 7 per cent to 10 per cent.

Mr. Minister, while many people look at that and say that's just 3 per cent, when you look overall, 7 per cent to 10 per cent is



about a 43 per cent increase. Have you or members of your department talked with the hoteliers or the brewing industry regarding what a 43 per cent tax rate increase might do to their business? What effect will it have on the hoteliers and the brewing industry?

**Hon. Mr. Cline:** — Mr. Chair, I would point out that actually this change was announced in the budget speech, not the Throne Speech. But I think the member meant the budget speech.

Of course we did not discuss the change prior to the budget. But, you know, to put it in perspective, we have had a 10 per cent liquor consumption tax in the past in Saskatchewan. And when you raise the tax from 7 per cent to 10 per cent, it's true that that's a 3 per cent increase over and above 7 per cent, but on the other hand it's only 3 cents on \$1, Mr. Chair.

And it means that if I buy a bottle of beer in a beverage room and if the cost is . . . was \$3 before, now the cost would be \$3.09. And we don't believe, and we don't believe reasonable people believe, that a 9 cent increase on a bottle of beer is going to have a major impact on either consumption or on anyone's business. And that's our view, Mr. Chair.

I think that liquor consumption will continue in the hotels, lounges, restaurants in this province as it did before. And I think most reasonable people would realize that that was the case.

**Mr. Krawetz:** — Thank you, Mr. Minister, and Mr. Chair. Yes, and I understand you are quite correct, of course, that it was the budget speech that announced that. And I understand that you are unable to or officials in your department are unable to consult with the industry regarding a tax increase or potential tax increase, but obviously that occurred way back at the end of March and there have been two, almost three months already since the announcement of this increase.

Mr. Minister, our offices — from the point of view of official opposition MLAs' offices — have received a number of concerns from, especially, rural hotels where it is difficult to keep those businesses operating currently under the fact that rural Saskatchewan is depopulating, and there are less people probably in rural Saskatchewan. But also, there's always a concern about a tax increase.

Mr. Minister, has your department received concerns from individual hoteliers, lounge keepers, people in the business, regarding the fact that this tax has negatively affected their business?

**Hon. Mr. Cline:** — Well there have been, Mr. Chair, some anecdotal complaints that nobody ever likes any kind of a tax increase. But as I've said to the member and the House, and I'll repeat, when you're talking about having a bottle of beer in a bar, and the cost is going to go up by 9 cents, or the cost of a \$25 bottle of wine in a restaurant is going to cost 75 cents more, I do not believe, the government does not believe, and I believe reasonable people in our province do not believe that somebody is not going to buy a bottle of beer in a bar because they have to pay 9 cents more. And they're not going to refrain from buying a bottle of wine, if they can afford to do that in a restaurant, because the tax goes up by 75 cents on a \$25 bottle of wine.

So the answer to the member is this: yes, people have complained. The hoteliers have complained that they think it will hurt their business. We will wait and see what actually happens. We are not yet through the first quarter of the current fiscal year. When we are, we will see what the liquor consumption in this province is.

And I would say to the member this, and he and I can perhaps sit down and have a bottle of beer together, or a bottle of beer each, or red wine, during the summer, and I would quite confidently predict, Mr. Chair, that what we're going to see . . .

**An Hon. Member:** — . . . Great Western beer?

**Hon. Mr. Cline:** — . . . And I hope it is Great Western beer, in answer to the member's interjection, because you know I enjoy Great Western beer. It's a very good beer, brewed right here in Saskatchewan, Mr. Chair. In fact I had a few yesterday at my constituency barbecue.

But I want to say in all seriousness, I think what we're going to see, Mr. Chair, is it's easy to jump on the bandwagon of anybody that will complain about a little tax increase. But the reality is, Mr. Chair, we're going to see that people are going to continue to drink beer in bars in Saskatchewan, they're going to continue to drink wine in restaurants, we're still going to have liquor consumption, and nobody's business is either going to be hurt or shut down because of 3 cents on \$1 for a bottle of beer.

**Mr. Krawetz:** — Mr. Minister, thank you for that explanation and I understand it's a little difficult wanting to make sure that we're heard over all the din in the background.

Mr. Minister, I've had the opportunity to meet with the brewing association who are responsible for brewing, you know, beer in the . . . in Canada and of course sales in Saskatchewan.

**The Deputy Chair:** — Order, order. Order. Order.

**Mr. Krawetz:** — Thank you, Mr. Chair. Mr. Chair, as I was indicating to the minister, the brewing association has indicated that they have done some tracking and . . . of . . . The association of course is national and they track provinces including Saskatchewan. And they've indicated that when liquor consumption tax or other taxes increase — and in the case of Saskatchewan we've seen an additional increase from the Saskatchewan Liquor and Gaming Authority in terms of adding, I believe, it was 18 cents to a case of beer — that in fact the result to government is that there is less tax. That in the short term those kinds of concerns are realized by the fact that there is indeed less money for the provincial government.

Now, Mr. Minister, you're . . . you've pointed out that the consumption of a bottle of beer or a glass of wine or whatever refreshment that is purchased at an establishment is going to continue because it's not a huge amount of dollars. And I think you've indicated that it might be 9 cents on a bottle of beer. That may be true.

But the brewing association is saying that when you compound that with an increase from the Saskatchewan Liquor and Gaming Authority, you add in the liquor consumption tax that your budget has announced, that in fact the amount of

consumption in the province does fall and overall the province will receive less dollars in the way of revenue from tax.

Is that something that your officials have had an opportunity to study, or have in fact your officials had the opportunity to meet with the brewing association and verify that this indeed will be true?

**Hon. Mr. Cline:** — No, we have not met with the brewing industry although I'm sure that representatives of that industry would have met with the people from the Saskatchewan Liquor and Gaming Authority. And we haven't seen the study referred to but we'd certainly be happy to receive it and also review it.

The experience that we've had in the Department of Finance and in the revenue division has generally been that liquor consumption and beer consumption has been quite steady in the province. We obviously don't believe that liquor consumption will go down with a 3 cent increase per dollar on, you know, a bottle of beer or a glass of spirits or on wine. So that hasn't been our experience.

If that proves to be the case, that of course will become apparent in the public accounts. But we believe, based upon experience that we've had in the Department of Finance, that with an increased tax there will be more revenue to government; and we don't believe that a minor change of that nature, which is quite comparable to taxes in some of the other jurisdictions, will make much of a difference.

And I might add that, you know, when you order food in all other provinces I think except Alberta — or at least most of them, anyway — you have to pay tax on the meal you're ordering. And in Saskatchewan, you do not have to pay tax on restaurant meals. Certainly you do in Ontario and Quebec, I'm not sure about British Columbia, but I think several provinces you do.

And our hoteliers and restaurateurs in the hospitality industry is not saddled with the tax on food, which they strongly oppose. And I reiterate to the member, Mr. Chair, and I reiterate to the public, and I will reiterate to the hospitality industry, that we'll see when the public accounts come out that their business is not going to be hurt by 9 cents more on a bottle of beer.

**Mr. Krawetz:** — Mr. Chair, what we're trying to get across to the minister is that when we compound taxes, when we look at the increases from SLGA (Saskatchewan Liquor and Gaming Authority), when we look at increases from the breweries, when we look at increase from the Finance department, the effect that it has on a business is . . . sometimes it's devastating.

And, Mr. Minister, I do want to clarify one thing that I said, was 18 cents a dozen for an increase from SLGA. In fact, by way of information provided to one of my colleagues, the member for Last Mountain-Touchwood, the owner of the Markinch Hotel indicates this, Mr. Minister. And I quote from his letter to us, and he says:

On March 1, 2000, SLGA increased the cost of beer by 40 cents per dozen, followed by a 30 cent increase by the breweries. And on March . . . in March the government implemented . . . (I'm sorry) . . . and then on March 27, the

Finance minister announced a 43 per cent . . . (actually, he says) 42.9 per cent increase in the liquor consumption tax.

Those are quotes from his letter. He goes on to say that:

Due to the government's assault on my business, since March 1, 2002 we have been forced to raise our table prices from \$2.75 to \$3.25 per bottle of beer.

You know, Mr. Minister, that's a 50 cent increase — not 9 cents.

This increase has forced our customers to boycott the business, thinking it is our increase, not the government's.

(16:15)

He goes on to say that:

On April 20th my hotel was forced to lay off one employee, earning \$8 per hour, due to the lack of business brought on by the Government of Saskatchewan. Unfortunately on April 27th the hotel will lay off another employee, also earning \$8 per hour, due to the government's assault on the hotel industry. Finally, by July I expect to close the business and walk away with a large loss.

Mr. Minister, this is a comment from the owner of the Markinch Hotel. So there has been a negative effect, not entirely the liquor consumption tax, as I've pointed out, because I've indicated that the increase this year is from the Saskatchewan Liquor and Gaming Authority, is from the brewing association, it is also from the liquor consumption tax.

But here we have one example of a hotel in a community — sort of the last business that's there kind of thing — now looking at saying, because we have people now who are boycotting the business, who are not willing to pay that additional dollars, are now not going to be spending it, as a result, there are layoffs, more people are out of work.

Mr. Minister, I think the liquor consumption tax has indeed contributed to a negative impact on a great deal of Saskatchewan. Mr. Minister, I ask, what would you say to the owner of the Markinch Hotel regarding your tax and the other taxes that have been forced on his clients?

**Hon. Mr. Cline:** — Mr. Chair, what I would say to the owner of the Markinch Hotel is what I've already said, that there really hasn't been a large increase in the cost of beer.

But I also want to say to the member opposite, for his information, that the markup for beer was not increased by this government since 1992. The price of beer was increased several times by the breweries, but we did not increase what we took. We decided this year that, as other provinces are taking a share of increased beer prices, that this province was entitled to do likewise.

And I would say to the member opposite, Mr. Chair, that it's easy for the opposition to jump on the bandwagon of complaining about any revenue increase — and that's what they will do — but the reality is that what we're talking about is 9

cents on a bottle of beer. And I don't believe that that is going to kill somebody's business. If somebody's business is going under, I don't believe it would be because of that factor. It may be because of that factor combined with a variety of other factors.

I can't comment on the situation of the Markinch Hotel, but I simply do not accept the opposition's view that 9 cents on a bottle of beer is going to prevent people from drinking beer in this province. And I don't believe that many . . . that most thinking people and reasonable people in this province would agree with the opposition on this point, Mr. Chair. I think they're taking a really . . . drawing a long bow with respect to what is really a quite minor revenue increase in an area which hasn't seen a revenue increase for 10 years.

**Mr. Krawetz:** — Thank you, Mr. Chair. Mr. Minister, as I've indicated, this gentleman indicates that the . . . because of the three components that were put in this year, the price of beer has gone up 50 cents per bottle.

So it's not 9 cents, it is 50 cents per bottle. As a result, there are people now that are not working, there are people now who are not supporting that hotel, and we're near July and maybe this establishment is, in fact, going to close its door as a result of the compounding effect of a number of tax increases.

Mr. Minister, speaking of that tax increase, as you've indicated, you said that other provinces are taking a larger share. Could you indicate when your government was . . . began to look at the liquor consumption tax increase from 7 to 10 per cent as a source of revenue? What time in the budgetary process did you actually begin to look at the tax as something that you would implement?

**Hon. Mr. Cline:** — Mr. Chair, we look at all taxes and charges in the budget finalization process, which really begins in earnest probably in September or October in the year, and various proposals are put on the table.

I can't give the member an exact date when we would have started looking at this. But it would have been over the course of the fall, and we would have probably finalized the budget in February/March . . . January/February/March. We were a little bit later than usual this year. And we would have been examining it, therefore, over the period of the fall and winter of 2001-2002 culminating in a decision which was announced in the budget address, I believe, on March 27 of this year.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, if your description of the time factor is accurate and that you began discussions in 2001, in fact, and maybe confirmed them in January, could you explain why there was one price guide published and distributed that was dated April 1, and then, immediately, there had to be another price guide distributed on April 2?

You've just indicated that March 27 was the date of budget, which everyone in Saskatchewan knows. But you also indicated that these kinds of tax decisions are made in January, February, and March. If you knew the tax, that the tax was going to change —and I understand the confidentiality of talking about what that tax increase would be — would you not indicate to

your . . . to the departmental officials in SLGA and whoever distributed . . . distributes those price guidebooks to say, don't produce a book that's going to be effective April 1, in advance. And I understand that you're . . . that the answer given to one of my colleagues when the question was raised in the House was well they're preprinted and we didn't know what the tax was going to be.

You've just indicated that decisions and discussions go on for months. Would you not have indicated to your officials to say, don't publish a guidebook until the budget is announced? And then, yes, there will be a short period of time, but in fact we know that April 2 there was another guidebook out.

Mr. Minister, that seems to be inefficient use of taxpayers' dollars to produce guidebooks. It's caused confusion because there's a guidebook that's dated April 1, there's a guidebook that's dated April 2. What kinds of things went on within your department that allowed this kind of inefficiencies to take place?

**Hon. Mr. Cline:** — Well absolutely nothing went on within my department that would allow any kind of inefficiencies in that regard to take place, Mr. Chair. The member's question is based upon some premises that are not accurate.

First of all, the Department of Finance does not publish the guides that the member is referring to. That would be the Saskatchewan Liquor and Gaming Authority. I believe that the minister in charge of that authority has spoken to this issue in the House.

Secondly, if I heard the member correctly, I believe he intimated that I may have made some comments about when these guides were published or when they weren't published, and the reasoning behind it. I have never commented in this House or elsewhere about the publication of those guides because it is not something that comes within the purview of the Department of Finance.

**Mr. Krawetz:** — Mr. Chair, Mr. Minister, I did not indicate that your department had published it. I think *Hansard* will show that I said that it was Saskatchewan Liquor and Gaming Authority who produced these guides.

But, Mr. Minister, I think what this shows though is that while your department is rightfully not going to produce the guidebooks — we understand that and I think everybody in the business understands that — but there needs to be, there needs to be communication. We have . . . I'm sure there was some costs that — the minister responsible for SLGA commented in the House that it wasn't a huge cost — but there was additional costs for producing a second guidebook.

Can we not avoid those kinds of things by better communication between departments? Or are you indicating to the people of Saskatchewan that because of the timing of the budget on March 27, that indeed those kinds of situations will occur again in the future when there might be another tax increase? Or have you looked at this and possibly determined what the course of action might be to avoid confusion by having two guidebooks produced in two days time?

**Hon. Mr. Cline:** — Well I can't speak to the specifics of the publication of the guidebooks, Mr. Chair, because those guidebooks are not published under the authority of either myself or the department with which I'm associated.

But I would say to the member that common sense would tell most reasonable people that if a guidebook is being produced, somebody's producing a book of prices, normally they're not producing it in a day or a week or even a month. It probably is contemplated several weeks in advance.

And it would seem quite clear that somebody, several weeks in advance of the budget, probably was in the normal course of events producing a guidebook. Then there was a change in the budget so they had to revise the guidebook. Nothing, no big story there in my view.

But what I would say to the member is it would appear to me that if somebody wants to produce a guidebook in the period of a few months in advance of the budget, perhaps it would be best in the future not to, and to wait until the budget finalizes all of the prices and then to produce the guidebook at that point.

**Mr. Krawetz:** — Mr. Minister, we'd like to also clarify a direction that your government and the department might be heading in, and I understand that that might be under the minister responsible for Saskatchewan Liquor and Gaming Authority.

But because of the tax implications, and we're hearing from hoteliers that they may be under fire from another area. And that is that the Liquor Board stores, both, I guess private vendors as well as government stores, are lobbying the government to be open on Sundays; to be able to sell alcohol from government controlled stores on Sundays, thus putting, I think, additional pressures on the hotelier association. Is that something that your government is considering?

**Hon. Mr. Cline:** — Well certainly that matter is under consideration. And I believe that the minister of Liquor and Gaming will be making an announcement in due course with respect to a decision by the government as to whether the Liquor Board stores should be open in some cases on Sunday afternoons and perhaps at some other times when they're not now. I can't provide the member with detail with respect to that matter, but I can confirm that I believe that is a matter that is under consideration by government.

**Mr. Krawetz:** — Thank you, Mr. Minister. One final question. You've indicated that you have not received all of the first quarter data, and we understand that. My question then is, last year you started the process of a third quarter report from the Finance minister's office and you indicated that . . . of course we've always had a mid-term report for a number of years. Will you be also publishing the first quarter report of this fiscal year that will indicate some of the answers to the questions about revenue from liquor consumption tax and revenue from the tobacco tax and all of the questions that we've asked? Will you, in fact, be releasing a first quarter report? And, if I might, when do you expect that that information will be compiled to allow the release of that report as far as the date?

**Hon. Mr. Cline:** — The answer is yes, absolutely we intend to

release quarterly reports and so those reports would indicate forecasts for various sorts of taxes including liquor consumption tax. And I would imagine the first quarter being over at the end of June that, based on past experience, it's probably some time into at least late July or if not, August, before the numbers would be available.

But we intend to give as much information as we can on a quarterly basis and we hope to have the first quarter report out sometime this summer.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

(16:30)

### **Bill No. 58 — The Income Tax Amendment Act, 2002**

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

**Hon. Mr. Cline:** — Thank you, Mr. Chair. With me this afternoon to my left is Mr. Kirk McGregor, who is the assistant deputy minister of taxation and intergovernmental affairs. And behind Mr. McGregor is Mr. Arun Srinivas, who is a senior analyst in taxation and intergovernmental affairs.

#### **Clause 1**

**Mr. Krawetz:** — Thank you very much, Mr. Chair. Mr. Minister, welcome to your other officials this afternoon. Not a great amount of questions on this Bill, Mr. Minister, other than maybe some clarification ones.

You indicated in your remarks that there was a need to define what was meant by taxable income earned in Canada, and I think that's what clause . . . or actually new section 7, clause 4 of the Bill is pertaining to. Could you indicate what was the previous definition of taxable income and whether or not this has changed dramatically, and as a result of this change, is it because of federal changes? Or what has taken place to need . . . or require this new definition?

**Hon. Mr. Cline:** — Yes, the purpose of this amendment is a clarification. We have always charged non-Canadian resident businesses and individuals on income that they earn in the province of Saskatchewan. We have always done that. But this amendment simply clarifies in the legislation that in fact that's what we do and that we'll continue to do that.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, one of the points raised in the Act is that it provides for a sales tax credit. Can you indicate how the eligibility for a sales tax credit has changed from what was previous?

**Hon. Mr. Cline:** — Yes, Mr. Chair, Section 39 of the Bill provides — or of the Act, I should say — presently provides for the Saskatchewan sales tax credit. And that is the credit we give to low-income people, which is paid quarterly on our behalf by the federal government along with the GST (goods and services

tax) tax credit that some people receive. And that credit is administered by the federal government.

The federal government has made some legislative changes to improve their ability to pay out the GST tax credit when changes in family circumstances occur. And they want to make their changes more responsibly, more quickly. And they want us to allow our credit to be changed if there's another child, for example, or a child leaves home and is no longer dependent. They want ours to change in the same way.

And the purpose of this amendment is simply to say that the provincial credit should be dealt with in the same way as the federal credit. And as one is administered differently and changed if the family gets bigger or smaller, so should ours be treated in the same way.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, I think overall, the Act, the changes to the Act are to implement the tax . . . announced tax changes in the budget. Would that be a correct interpretation of the Act overall — that it is introducing the tax changes that were put forward in the budget?

**Hon. Mr. Cline:** — Yes, that's correct. I should say not just specifically in this 2002 budget, but as part of a plan that really began in 1999 and was announced fully in the 2000 budget. And basically what we did is, in 1999, we set up a committee commonly known as the Vicq committee, but it was the Personal Income Tax Review Committee. They made suggestions to simplify, make more fair, and have lower personal income taxes in Saskatchewan.

And in the 2000 budget, I announced that we would implement most of those changes. And I also promised on behalf of this government that in 2000, 2001, 2002, and 2003 — so it was a four-year plan — that we would lower personal income taxes in Saskatchewan and increase credits for seniors, people with children, some disability credits.

And some of those changes as promised were made for the 2000 tax year — some of them came into effect 2001, some of them came into effect 2002, and these changes are the third tranche, if you will, of the major changes to personal income tax.

And basically what we've done is brought the personal income tax system in Saskatchewan from a point in about 1993 where we had, I think, the second highest personal income taxes to a point today when we have, I think, the third but perhaps the fourth lowest personal income taxes. But we've obviously made great progress.

And so what we're doing with this Bill is to keep our promise, as we did for 2001, 2002, 2003, to reduce personal income taxes. And I might add that in some provinces, like Ontario, I think one of the Maritime provinces, and even in Alberta with respect to some of their business taxes, they had promised tax changes and then because of the difficult economic circumstances this year, they didn't bring them in.

But what our government has done, the NDP-Liberal coalition government, is to say times have been tough in 2001, but we're

very confident about the future and we're going to keep our promise to lower personal income taxes in Saskatchewan. And so this Bill does that for 2003.

I'm told by many people around the province and also by many chartered accountants, certified general accountants, that their people filing income taxes are really noticing a difference.

We think that tax competitiveness for ordinary people — families, working people — is very important. We're keeping our promise. And this legislation, to answer the question, brings in really the third major part of that promise we made in the 2000 budget.

**Mr. Krawetz:** — Mr. Chair, to the minister. Mr. Minister, could you clarify . . . You indicated that this is the third, third year of an announced four-year program. We have had a number of concerns raised by individuals who for the first time of course — 2001 was the year that you calculated the provincial tax on income, not on federal tax — that was the first year that it was done, was 2001.

There are some people who have reported that even though the rates have dropped, declined, that overall, because of the elimination of the Saskatchewan tax credit reduction which was \$200 on the income tax form, and that was . . . that varied based on the income that the individual received, there are some individuals who have responded that their amount of tax payable in 2001 was in fact higher than the year before on exactly the same income.

Is this possible, Mr. Minister, because of the elimination of that \$200 tax credit? Or is it just a . . . some unusual circumstance that has created a situation where an individual with exactly the same income in 2001 and the year 2000, has in fact been charged more provincial income tax for 2001 than 2000?

**Hon. Mr. Cline:** — Yes, I'm advised, Mr. Chair, that there are some situations where, with respect to testamentary trusts, the elimination of the credit that the member referred to would have that effect so that the tax of the testamentary trust would go up somewhat over and above what it had been. But — and this is not something that has been denied or hidden at all — it's quite well-known.

There are a few other instances, I think, where a small number of people in certain income categories in the year 2001 would have had slightly higher income taxes than in the year 2000, although they would have been lower than 1999, and in 2002, they would be lower than the year 2000. But as with any change, there are some anomalies, and in a small number of cases, the income tax load could be a couple of hundred dollars higher perhaps in some cases.

However, in the vast majority of cases — I don't know if it would be 98, or probably 98 per cent plus — the savings would be considerable. And for an average family of four people with two people working, household income of \$50,000, their income tax in 2001 would be, I think, approximately \$900 less than in 2000 and 1,300 less than 1993.

But yes, there would be a very small number of cases that could be identified in I think one or two situations where in 2001 the

tax would be slightly higher than in 2000.

**Mr. Krawetz:** — Thank you, Mr. Minister, for clarifying that because in my calculations of the person's income, and looking at the concerns raised by the cases that were brought forward, it seemed that indeed their calculations were accurate. They had used an accounting firm and they in fact had paid more, so I'm glad that you clarified that indeed those circumstances did arise.

Mr. Minister, when I looked at the Web site of Canada Customs and Revenue Agency, CCRA, I looked at the rates for 2001 and the rates for 2002 that provincial governments were implementing. And when I look at the rates for 2001, Mr. Minister, with the exception of Quebec, is it true that Saskatchewan's rate for the lowest level — and I recognize that the lowest category changes, that some provinces have 30,000-some-odd dollars, other provinces have 29,000 — but that Saskatchewan for 2001 had the highest income tax rate for category no. 1, and still would have the highest category rate for that first category for 2002. Is that accurate information, Mr. Minister?

**Hon. Mr. Cline:** — I don't believe it is accurate information, Mr. Chair. And I've heard this argument from the opposition member and other members of the opposition on several occasions in this House, where they get up and they say that well the tax rates in Saskatchewan are higher but they only look . . . the reason I say it's not accurate is they only look at part of the picture. They talk about the rates but they don't refer to the tax credits that we have. And you have to, in order to compare provinces, look at both the rate of tax they charge and the personal credits that they give.

And so in Saskatchewan you have to look at the fact that you've got a . . . the member refers to Quebec for example as having a lower rate or at least I believe he said Quebec . . .

**An Hon. Member:** — A higher rate.

(16:45)

**Hon. Mr. Cline:** — A higher rate. But I would point out the . . . well perhaps Ontario might be said by some to have a lower tax rate.

But what I would point out is if you look at the basic exemption for 2002, Saskatchewan the basic personal exemption is \$8,000; Ontario it's \$7,686. In Saskatchewan the spousal credit is \$8,000; in Ontario it's \$6,500; in Saskatchewan the senior credit amount, gross credit amount, would be \$3,728 . . . I'm sorry, \$4,478 — almost 4,500. In Ontario it's 37.

In Saskatchewan, if you have dependent children, this year there's a dependent child tax credit of \$2,000 which is going to \$2,500 next year. We're the only province that has a universal child tax credit. In Ontario there is no child tax credit.

And the point is this: you have got to look at the rates that are charged and you've got to look at the credits that are applied to individuals depending upon their family circumstances. And if you just talk about the rates and say well, our rates are higher than X province, that doesn't tell you the whole story because you have to look at the personal tax credits.

And so when I say . . . what the opposition is saying when they say our income tax rates are higher than some provinces, well they are higher than one or two and perhaps three provinces, but they're lower than at least six. Because you've got to look at the rates combined with the tax credits. And until you look at both, you're not giving people an accurate picture of what our taxes are.

And nobody has to take my word for it, Mr. Chair. All they have to do is talk to the experts, whether it's the chartered accountants or the investment dealers or the credit rating agencies, any number of outside objective observers who have said, you know Saskatchewan has really done a terrific job in making the personal income tax system more competitive.

And anybody that gets up in this House or goes around the province saying the rates in Saskatchewan are higher — because they'll talk about a basic rate of you know eleven and a quarter per cent up to fifteen and a quarter per cent without talking about the credits that are applied to ordinary families, seniors, and children — is not giving the whole picture. And the whole picture has to be discussed so that we can have a realistic and fair discussion of income taxes.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, you've raised the province of Ontario and I do want to, for people in Saskatchewan, to get the full picture. And, Mr. Minister, I understand that you're talking about credits that are applied and you've given some of the values.

But if I look at the 2001 tax rates for the category no. 1 — those people in the lowest category — which as I said in Ontario in 2001 I believe it was \$30,814, and in Saskatchewan it was \$30,000. In Saskatchewan the tax rate in 2001 was 11.5 per cent. Am I accurate, Mr. Minister? In Ontario it was 6.16 per cent, Mr. Minister. That's a full 5 per cent less. And while you've talked about exemptions and everything, I understand that those kinds of calculations will be made.

Mr. Minister, my question for . . . on behalf of people is that the Saskatchewan rate for this year 2002, is 11.25 per cent. Could you tell me then what the Ontario rate would be for 2002 if its last year's rate was 6.16? You have used Ontario examples so I . . . whether you have that information, I'd be pleased to hear that from you.

**Hon. Mr. Cline:** — And I'd be pleased to answer it. The basic rate that Ontario has is . . . at that lowest level, I believe is, yes, 6.05 per cent — 6.05 per cent — whereas the Saskatchewan basic rate is 11.25 per cent.

But what I'm saying to the member is don't forget two things. First of all that that family . . . a family in Ontario is going to pay sales tax of 8 per cent, whereas in Saskatchewan it's 6 per cent, and they're going to pay sales tax on many more things than we pay sales tax in Saskatchewan. That's just a fact.

The second point is if we're dealing with a family with four children let us say, they are going to have a child tax credit in Saskatchewan of \$8,000. In Ontario, they're going to have a child tax credit of zero.

And so you can't just pick and choose one part of the tax

system. You have to look at the whole, at the whole picture. You have to look at the rates. You have to look at the credits. You have to look at what that family is paying in sales taxes, which would be much higher in Ontario. You have to look at . . . in some provinces, whether you pay a medicare premium, which they do in Alberta and British Columbia, which have been going up.

I'm not arguing with the member that Saskatchewan has the lowest income taxes in the country. We don't. I've said repeatedly I believe that there are three provinces that have lower income taxes than we do. There are six provinces that have higher income taxes than we do. My point to the member is when he cites provinces with a lower rate, many of them will have a lower rate if you just look at that, but people will still pay more tax because the governments there don't give them the same personal and child and senior and disabled and other tax credits that come off of income tax in Saskatchewan.

So you've got to look at the whole picture. And, Mr. Chair, if the opposition doesn't want to take my word for it, they can sit down with chartered accountants in this province — I meet with them regularly — who will tell them what I'm telling them. That there are three provinces that have lower income taxes now than Saskatchewan, but there are six provinces that have higher income taxes.

And we used to have the second highest income tax in the country but now we're amongst the provinces that have lower income taxes as well as the lowest sales tax for families of any province except Alberta, which of course has no sales tax.

So if you just look at the rates, Ontario has a lower rate but the difference is not that large when you take into account the tax credits, the sales taxes you have to pay in Ontario, and the manner of calculating tax in Ontario, which is different than ours because the tax credit amount is calculated at a higher rate in Saskatchewan than it would be in Ontario.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, I do understand that the only way to compare one province to the other is to actually use an example and run it through the income tax guides for the various provinces. And that would be a way of finding out what would be the tax payable on a family of four earning \$35,000 in Ontario or that family of four earning \$35,000 in Saskatchewan.

But that's . . . I don't have that information, Mr. Minister, and I don't think you do as well at the moment. So we understand that comparing ourselves to Ontario and comparing ourselves . . . And as you've indicated, we were one of the highest taxed provinces and we have indicated as an opposition for a number years that to grow this province, to ensure that we have people coming to this province or for that matter staying in this province, we have to, we have to decrease the amount of taxes that people pay.

We have to ensure that the take home pay that people have is indeed larger than it was in the past. And while you've indicated that there are calculations that have moved Saskatchewan forward, not only just the tax rates that have changed as I've indicated, but other provinces have changed their tax rates, Mr. Minister.

And as you've indicated, if we look at our tax rate, only the tax rate in Saskatchewan, it is still one of the highest. But when you build in some of the other credits, indeed the Saskatchewan taxpayer has benefited, has benefited by the fact that we've moved up a couple of notches.

And with that, Mr. Minister, as I've indicated to you before, we're happy to see a tax reduction program for taxpayers. As you've indicated, it's our third year of a four-year. We look forward to the announcement that indeed you will follow up with the final year of tax reduction.

Clause 1 agreed to.

Clauses 2 to 19 inclusive agreed to.

The committee agreed to report the Bill.

### **Bill No. 36 — The Corporation Capital Tax Amendment Act, 2002**

**The Chair:** — And does the minister have any further officials to introduce?

**Hon. Mr. Cline:** — Yes I do. I have with me, Mr. Kirk McGregor is still here, the assistant deputy minister of taxation and intergovernmental affairs. And behind him is Mr. Kelly Laurans, who is the director of corporate taxes and incentives. And behind me is Mr. Len Rog who was here before who is the assistant deputy minister of the revenue division.

#### **Clause 1**

**Mr. Krawetz:** — Thank you, Mr. Chair. Mr. Chair, there are a number of questions that we have to pose on the corporate capital tax, so I'll begin with the first one, Mr. Minister.

Mr. Minister, the corporate capital tax is something that you've indicated that the province is hoping to address and move much faster towards a situation where we'll be more compatible. More compatible with other provinces so that indeed we don't . . . so that it is not looked upon negatively when corporations look at Saskatchewan.

Mr. Minister, is this one of the reasons why you've started to look at the corporate capital tax by not changing its rates, but at least moving in the direction of changing the limit from 10 million to 15 million?

**Hon. Mr. Cline:** — Mr. Chair, certainly we have made the change to the corporate capital tax threshold this year because we are concerned about having a competitive tax regime, and I think that the change to the threshold helps us maintain a more competitive corporate tax regime. And that will continue to be a concern of government which we will monitor as we move forward.

**The Chair:** — Order. It now being near 5 p.m. the committee will stand recessed until 7 p.m. this evening.

The Assembly recessed until 19:00.