

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Kwiatkowski: — Thank you, Mr. Speaker. I rise to present petitions on behalf of citizens of Saskatchewan who are concerned about the negative impact that the ratification of the Kyoto Protocol will have on the people of Saskatchewan and the economy of Saskatchewan. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary actions to protect our province's economy by working to halt the federal government's intent to sign on to the Kyoto accord in its current form.

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

The petitions are signed by citizens of Carrot River, Aylsham, Arborfield, Weekes, Carragana, Porcupine Plain, and many other communities in the Northeast.

I so present, Mr. Speaker.

Ms. Draude: — Thank you, Mr. Speaker. I too rise again today with a petition from people who are concerned about the Kyoto accord.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to immediately take all necessary action to protect our province's economy and to work to halt the federal government's intent to sign on to the Kyoto accord.

The people who have signed this petition are from Naicam and Spalding.

Mr. Elhard: — Thank you, Mr. Speaker. Mr. Speaker, today I have five more pages of petitions concerning the Kyoto accord. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary actions to protect our province's economy by working to halt the federal government's intent to sign on to the Kyoto accord in its current form.

As in duty bound, your petitioners will ever pray.

Although it may seem too late, Mr. Speaker, to turn this in, I do want to offer full representation to the citizens from Eastend, Morse, Golden Prairie, Maple Creek, Love, Oxbow, several other jurisdictions throughout the province. Thank you, Mr. Speaker.

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I too

have a petition here signed by citizens that are very concerned with the effects of the Kyoto accord will have on them. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary actions to protect our province's economy by working to halt the federal government's intent to sign on to the Kyoto accord in its current form.

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

And this is signed by people from my constituency, namely Estevan and Macoun.

I so present. Thank you.

Mr. Wall: — Thank you, Mr. Speaker. It's a pleasure again to rise on behalf of citizens from southwest Saskatchewan concerned about the ratification of Kyoto. 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 take the necessary actions to protect our province's economy by working to halt the federal government's intent to sign on to the Kyoto accord in its current form.

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

I so present.

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, I rise again with petitions from concerned citizens in my constituency with the Kyoto accord. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary actions to protect our province's economy by working to halt the federal government's intent to sign on to the Kyoto accord in its current form.

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

And, Mr. Speaker, I'll turn in the two of these, and they are signed by citizens of Mankota, Kincaid, and McCord.

I so present.

Mr. Brkich: — Thank you, Mr. Speaker. I have a petition here dealing with crop insurance.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to have Sask Crop Insurance reassess the grasshopper spray penalty assessed to farmers in 2002; and further, that the government review the definition of

viable farming practices as outlined in present Sask Crop Insurance policy.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens from Hawarden and Hanley.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I rise again today to present a petition from citizens concerned about the Kyoto accord. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary actions to protect our province's economy by working to halt the federal government's intent to sign on to Kyoto accord in its current form.

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

Signed by the good citizens of Biggar and district.

I so present.

Ms. Harpauer: — Thank you, Mr. Speaker. I too have a petition with citizens concerned about the Kyoto accord. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary actions to protect our province's economy by working to halt the federal government's intent to sign on to the Kyoto accord in its current form.

And the petitions, Mr. Speaker, are signed by the good citizens from Davidson and Aylesbury.

I so present.

Mr. Hart: — Thank you, Mr. Speaker. Mr. Speaker, I have a petition that deals with changes to regional health authority boundaries. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary action to ensure the best possible health care coverage for the communities of Govan, Duval, Strasbourg, and Bulyea by placing those communities in the Regina Regional Health Authority as opposed to the Saskatoon Regional Health Authority.

Signatures to this petition, Mr. Speaker, come from the communities of Strasbourg and Bulyea.

I so present.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and are hereby read and received:

A petition concerning the appropriation of 25 per cent of profits from lotteries for health care needs; and

Addendums to previously tabled petitions being sessional paper nos. 11, 169, and 437.

INTRODUCTION OF GUESTS

Hon. Mr. Serby: — Mr. Speaker, while I'm on my feet I would like to make two introductions to the Assembly this afternoon. Seated in your gallery, Mr. Speaker, is first Mr. Ken Rauch, who is the provincial secretary here for our political party.

But I also want to say that Mr. Rauch and I have had a long-time friendship over the years that I used to work in the private sector . . . or in the public sector, Mr. Rauch used to be an auditor for one of the branches in government. And I want to say to you that he made sure that not only was the agency of which I was responsible for, well managed financially, but the affairs of many of the departments within government of which he had responsibility.

And today Mr. Rauch is doing an outstanding job as the provincial secretary for our party. And I want to ask all the members of the Assembly to welcome Mr. Rauch here and I know that he'll enjoy the workings of the Assembly over the next little bit.

Hon. Members: Hear, hear!

Hon. Mr. Serby: — Now, Mr. Speaker, this afternoon too I want to take this occasion to welcome Mr. Jack Layton to the Assembly. He's in your gallery. Mr. Layton, as you know, is one of the leadership candidates in the federal race, the federal NDP (New Democratic Party) race.

You will know that Mr. Layton is a city councillor in Toronto; that he's the past president of the Canadian Federation of Municipalities. We would describe Mr. Layton as a man with a vision to build a united Canada on the principles of co-operation and inclusion — someone who understands what governing is all about: about making decisions, about working with people, and managing the public affairs of communities, Mr. Speaker.

And today Jack is in Saskatchewan to participate in a leadership debate in Saskatoon. And earlier this morning he received the endorsements of nine government MLAs (Member of the Legislative Assembly), of which I'm proud to be a part of.

And I know that over the next few minutes, Mr. Speaker, Mr. Layton will have the privilege of enjoying the debate of the House. And I know that when he leaves the House here today, he will say that questions that are answered by New Democratic governments are always of a higher calibre than anywhere else in the country, Mr. Speaker.

Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. This afternoon I'm privileged to introduce to you and through you to the members of this House, 51 students from Valley Christian Academy at Osler. I believe they represent probably some half-dozen towns

in the area as well as students from Saskatoon, I believe.

And they're accompanied by Mrs. Florianne Nickel and Mr. Trace Block. And they're going to be watching question period, and I'm sure with a whole lot of interest. And I'll have the privilege of meeting with them later on and answering some of the other questions that they may have.

So would you join me in welcoming them to our legislature this afternoon.

Hon. Members: Hear, hear!

Hon. Mr. Melenchuk: — Mr. Speaker, and to you and through you to the members of the Assembly I'd like to introduce, seated in the west gallery, my brother-in-law, Dale Degenstein.

Dale is originally from Punnichy. He's a journeyman electrician and has been in the building recently doing some cabling for all of us to utilize at some point in the future. He is also a very accomplished country and western musician.

And I would ask all members to welcome my brother-in-law to the Assembly today.

Hon. Members: Hear, hear!

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, to you and through you to all members of the legislature I would like to introduce Amanda Hoyt. She is seated in your gallery.

Amanda is a grade 6 student at the W.F. Ready School and her home constituency is Wascana Plains. And this is the first time Amanda has attended the legislative proceedings. And she's also accompanied by her dad, Vern Hoyt.

So I ask all members to join me in welcoming them here today. Thank you.

Hon. Members: Hear, hear!

Mr. Hillson: — Thank you, Mr. Speaker. I have two friends I want to introduce to you. First of all . . . (inaudible interjection) . . . Mr. Speaker, I would remind, I would ask to remind all hon. members this is the season of charity.

In your gallery, Mr. Speaker, a man known to many of our members, Michael Androsoff, who is an EMS (emergency medical services) consultant. I'd ask him to please stand and be welcomed by members of the legislature.

Also, Mr. Speaker, seated beside him . . . In case why hon. members are wondering why the Premier is looking abnormally pale today, I understand that's not because of SPUDCO (Saskatchewan Potato Utility Development Company). It's because of Deneen Gudjonson, who's a business person and community activist. She is especially active in the Saskatchewan Native theatre, which is attempting to renovate and reopen the old Roxy Theatre in Saskatoon to be a performing art centre for Native theatre. And she is also incidentally the next MLA for Saskatoon Riversdale. I would ask all members to welcome her.

Hon. Members: Hear, hear!

Hon. Mr. Belanger: — Thank you very much, Mr. Speaker. We have three distinguished guests in the west gallery. They're here on a number of business issues and they certainly want to also be introduced and recognized as trappers from northern Saskatchewan.

Now the first one I want to recognize is the president of the Northern Trappers Association, Ivan Morin. Ivan is a teacher, he's a firefighter, and above all else he really is involved with trapping.

Next to Ivan we have Norman Wolverine, who's also trapped many years when he was younger, but is now working very hard and has a very strong resource management background. And he also, Mr. Speaker, says that the fairest hockey referees are from Ile-a-la-Crosse.

And next we have Paul Sylvester, who was the former chief of Birch Narrows, I believe, and he's also a very eloquent speaker and also a trapper. And they met with me this morning to talk about the northern trapping issues.

And I'd like the Assembly to welcome these very special guests today.

Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure to introduce to you and through you to the Assembly, someone who is no stranger to the floor of this Assembly but it's one of those people that as members we know are here but rarely see.

Mr. Speaker, in your gallery sits Rachel Birns, a former page of this Assembly. And I'd ask all members to welcome Rachel to the Assembly.

(13:45)

Hon. Members: Hear, hear!

Mr. Goulet: — Yes. Mr. Speaker, I'd like to join the member from Athabasca in regards to saying welcome to the guests from northern Saskatchewan. I would say tansi and edlanetey.

I would say, Mr. Speaker, that as I looked at the three speakers, I've been at the trappers' conventions for 16 years, and for many years each of these people have made a tremendous contribution in regards to policy development in the North, in regards to the fight in regards to the trapping issues when we dealt with the international situation.

And Ivan Morin's late father, Louis Morin, was also a tremendous leader in that regard and I'd like to recognize that as well. I know that Ivan follows in his dad's footsteps in the sense that he can speak both Cree and Dene, which is quite unique. And also, as a teacher, he's giving prime examples.

And of course, the two other people there as well have been tremendous leaders in many fronts. So I guess, as the member for Cumberland, I'd like to ask all members again to give them

a warm welcome.

Hon. Members: Hear, hear!

Ms. Hamilton: — Thank you, Mr. Speaker. I'd like to join with the member from Estevan in welcoming young Amanda and her father to the Assembly today.

As is mentioned, she's attending W.F. Ready School. I've been there for assemblies and know the team spirit and the artwork and the warm hospitality of W.F. Ready. And so I welcome Amanda and her father this afternoon to the Assembly.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Tenth Anniversary of the Nipawin Oasis Community Centre

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, on November 28, I had the opportunity to attend the 10th anniversary of the Nipawin Oasis Community Centre.

The centre was formed by Lyle Adderly, a mental health nurse, and MaryLou Hamilton, who was working on her Bachelor of Social Work degree at the time.

The goal of the centre was to assist people with mental illness. Over the years, the function of the centre has changed dramatically. What was once a centre targeted to people with mental illness has now also become an avenue to assist low-income and at-risk families by offering a collective kitchen.

The Nipawin Oasis Centre is run strictly by volunteers. These people devote many hours to making sure the centre runs successfully. Mr. Speaker, without people in our community such as the volunteers at the Nipawin Oasis Centre, many of the programs and services which are delivered throughout Saskatchewan would not be possible. These people spend a great deal of personal time to help enrich the lives of others and to those people we owe a great deal of gratitude.

Mr. Speaker, a youth kitchen program was created last year in order to assist these youths by providing them with a nutritious meal. It involved youths ages 10 to 13 coming from school, making their supper, and cleaning up afterwards. This program was met with success, Mr. Speaker, so much success that this year there are three youth kitchens in use.

I would ask all members to join with me in congratulating all of the volunteers at the Nipawin Oasis Centre on their 10th anniversary and on all their hard work and dedication in achieving this milestone. Thank you.

Some Hon. Members: Hear, hear!

University of Saskatchewan Synchrotron

Ms. Lorjé: — Thank you, Mr. Speaker. When you search for the word synchrotron on the Internet, you'll find 292,000 entries and almost 3,300 of those entries are about the synchrotron being constructed in Saskatoon at the University of Saskatchewan.

Here's one of those entries that I think members will find extremely interesting. In the Only in Saskatchewan contest, Karissa of Saskatoon, age 15, writes the following:

Saskatchewan is a great place to accomplish my goals. It has a growing economy, which comes from things like the Synchrotron, and all the events that are held here.

At 15, Karissa has a very good grasp of the opportunities open to her. Her future is wide open and she knows why. Like you and me, Mr. Speaker, she may not yet understand all the intricacies of the synchrotron but she does know it is one of the major keys to her success, right here at home in Saskatchewan.

The synchrotron will begin its operations in January 2004, just one short year from now. That means when Karissa starts university a couple of years after that, the synchrotron, a highly developed university research community, and all the facilities of Innovation Place will be available for her.

Young people know what we've got going for us here. They're dreaming big, planning well, and willing to work hard to reap the benefits of innovations like the synchrotron. They know that in Saskatchewan the future is wide open.

Some Hon. Members: Hear, hear!

Smart Ask!

Mr. Stewart: — Thank you, Mr. Speaker. I rise today to congratulate four young men from rural Saskatchewan who have once again brought our province to the national spotlight.

Four high school students from Avonlea High School saw the program *Smart Ask!* on CBC (Canadian Broadcasting Corporation) Television. These four took it upon themselves to find out how to enter and did enter. The boys developed a video and won entry into the program — all of this done without informing their parents or their school. The school received a letter congratulating them on their winning team, a team they had no idea had even entered.

At that point Mr. Larry Bogdan, senior science teacher, took the boys under his wing and went into Regina to CBC Radio with his new *Smart Ask!* team. The game show was done in a typical trivia show format with buzzers and quick questions on various topics. They won against Lumsden High School and then it was on to the national finals.

On November 23 the team was flown to Toronto compliments of CBC to compete in the national finals on CBC Television. The team won the first round against a Montreal team, had a day to rest and see the sights, and then round two. They gave it all they had but lost to Swan Valley, Manitoba in an exciting, down-to-the-second, mind-riveting finish.

Mr. Speaker, I encourage all members of this legislature on January 8 to tune in to CBC Television to watch four young Saskatchewan men from Thunder Creek. These, Mr. Speaker, are the kind of young people that will grow our future. Congratulations to Curtis Ridgway, Blake Holland, Ben Miller, and Josh Knowles of Avonlea High School.

Some Hon. Members: Hear, hear!

Investment in Saskatchewan

Mr. Yates: — Thank you, Mr. Speaker.

There is more good news today. This time it is the success of Saskatchewan's labour-sponsored venture capital funds.

Mr. Speaker, with tax time soon approaching, Saskatchewan investors have the opportunity to put money into RRSPs (Registered Retirement Savings Plan), get a lucrative provincial and federal tax credit, and at the same time have the opportunity to invest in local projects in Saskatchewan through venture capital funds.

Last year 10,000 people invested over \$22 million in Saskatchewan, Mr. Speaker. These funds made more than \$14 million worth of investments in rural and urban based Saskatchewan companies and created 285 jobs.

Mr. Speaker, in the next few months you will be hearing more about the Invest in Saskatchewan campaign as we partner with two of the provincial pool funds, Golden Opportunities Fund Inc., and Crown Ventures Fund Inc., in an advertising campaign that will encourage Saskatchewan investors to put their money to good use at home in Saskatchewan.

Today's announcement is another sign that the Saskatchewan economy is strong and growing, that working together, business, labour, and government can make a difference. Our future is wide open, Mr. Speaker, providing opportunities for Saskatchewan people through investment, tax savings, growth, and jobs. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

International Freedom Cup

Mr. Elhard: — Thank you, Mr. Speaker.

There will be no losers, only winners in the International Freedom Cup when the combined Consul-Eastend Rockets hockey team and the Kazakhstan Peewee Selects take to the ice in a series opener tomorrow evening. The Consul-Eastend team is thrilled to be part of this historic event and will be wearing its Team Canada jerseys to take on the world.

This event started back in December 2000 when Hockey Ministries International, based at Briercrest Bible College, coordinated a trip to Kazakhstan. While there, the Caronport High School team played games, sponsored clinics, and provided many young people with their very first set of complete hockey equipment thanks to donations from many Saskatchewan communities such as Consul and even the National Hockey League.

The Kazakhstan Hockey Federation was so encouraged by that visit that they requested an invitation to bring a team back to Canada.

So at this time I would like to extend a warm welcome to the Kazakhstan team and congratulate the coordinators, the

coaches, and constituents from Consul and Eastend for the time and effort they've put into the preparation and the realization of this event. This is yet another example, Mr. Speaker, of the outstanding spirit of southwest Saskatchewan.

Some Hon. Members: Hear, hear!

Saskatchewan Education Facts

Ms. Atkinson: — Thank you. In Saskatchewan the future is wide open for those who dream big, plan well, and work hard.

Our biggest dreamers are our schoolchildren and youth. Helping each and every one of them reach their dreams are people who work in our education system. Here, Mr. Speaker, are some facts that many may or may not know about how our schools are leading our students into the future.

For instance: that in the most recent international study of student achievement, of 32 industrialized nations and all provinces, Saskatchewan scored number one in educational equity; that the Department of Saskatchewan Learning's on-line Evergreen Curriculum receives more than 1 million hits per month and is visited by students from 95 countries; that in the past year and a half we've almost doubled the number of pre-kindergarten classes in Saskatchewan schools; that Saskatchewan has the lowest high school dropout rate in Canada; and that secondary students can now take 35 different courses on-line, providing equitable opportunities for students in our province no matter where they live.

And there's more. In 2003 every publicly funded school in the province will have access to high-speed Internet through CommunityNet. And our core curriculum includes Aboriginal content and perspectives provide all students with an awareness of our common history and heritage. All of these facts just for openers.

That's preparing for the future and I think those who work in education deserve our sincerest gratitude.

Some Hon. Members: Hear, hear!

Julia Eros Celebrates 100th Birthday

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I stand today in this Assembly to bring forth the name of a constituent who has been around and has seen it all. On November 22, Ms. Julia Eros celebrated her 100th birthday. Can you imagine the changes in her life she has seen over this period of time.

Ms. Julia Eros was born in 1902 and has been a very, very hardworking pioneer of this great country. Ms. Julia Eros was excited when her daughter and four sons attended the birthday celebration at the Legion Hall in Spiritwood.

There were many letters of acknowledgement and congratulations to her that day, a special letter from as far away as Her Majesty The Queen. Others came from close to home such as Jean Chrétien, the Prime Minister; the Lieutenant Governor; the Governor General; the Premier of Saskatchewan; the Leader of the Opposition; as well as other MLAs and

dignitaries. It was a great day, Mr. Speaker.

I would like to wish the wisdom that comes from reflecting on the past, the strength that comes from faith, the joy and promise that comes from greeting each new day, and the love that comes from a life well lived — we admire the woman that you are.

So I would ask all members to stand with me and thank this lady for all the work she's done in her community and wish her a happy 100th birthday.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Saskatchewan Indian Gaming Authority

Ms. Bakken: — Mr. Speaker, yesterday I asked the minister responsible for Saskatchewan Liquor and Gaming Authority if the government had taken steps to ensure SIGA (Saskatchewan Indian Gaming Authority) had stopped improperly spending taxpayers' dollars. I asked if SIGA is operating within the law and according to signed agreements, and here is what the minister said, Mr. Speaker — one single response, one word — “absolutely.”

Well, Mr. Speaker, less than 24 hours later, the Provincial Auditor had a much different answer. His answer was in two words, absolutely not. This morning the Provincial Auditor reported that the NDP government continues to allow SIGA to spend hundreds of thousands of dollars without legal authority.

Mr. Speaker, why did the minister provide information to the legislature yesterday that clearly is not true?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Thank you, Mr. Speaker. When the Provincial Auditor, whom we welcomed as the auditor of record in 2000 to become involved with the SIGA enterprise, he has reported that we have made significant progress. As a matter of fact there were significant benchmarks that were set and met in July of 2000. That's why we continued with our negotiations for a long-term agreement. Now, Mr. Speaker, there is a plan in place to meet a sustainable progress in other benchmarks. These were the important ones that we did.

(14:00)

And by the way, I don't know if the members overlooked the fact that SIGA has significantly reduced its expenses since that time, since the auditor's Fall 2000 Report, and has doubled — has doubled, Mr. Speaker — its net income in the past two years. A \$9 million decrease in expenses is not an insignificant amount; that is progress.

Some Hon. Members: Hear, hear!

Ms. Bakken: — The auditor clearly indicated this morning that the progress at SIGA has significantly slowed.

Mr. Speaker, the minister said SLGA (Saskatchewan Liquor and Gaming Authority) and SIGA had been following the

auditor's directions. He said that SIGA had stopped improperly spending taxpayers' dollars. He said that SIGA is operating within the law and according to signed agreements. But today the Provincial Auditor reported that there are still serious problems at SLGA and at SIGA.

He said there's improper use of public money, that there are insufficient accounting policies, that there's inadequate segregation of duties of employees. How marketing and promotion and sponsorship dollars are spent is a problem, that there is a lack of monitoring of table games, and that there are still the dollars outstanding that Dutch Lerat owes to the people of this province.

The auditor further goes on to say that SIGA's profits impact a great number of people in this province and by not adequately addressing how they are accounted for, that that puts many people at risk.

Mr. Speaker, to the minister: how does he justify his lack of action to safeguard public dollars in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Mr. Speaker, when the . . . in previous reports, the same Provincial Auditor, whom I welcome, who is the gentleman and his office that allows our operations to be transparent and to maintain its integrity . . . And we're working with that office to ensure that a major industry that the Leader of the Opposition so applauds — and I will quote some of the applauds from the Leader of the Opposition later on, Mr. Speaker — but he says, it is great for this province.

Now we've been working with the Provincial Auditor on an ongoing basis. Rome was not built in a day. Consider the significant progress that has been made — \$9 million less in expenditures; doubling the profits since we've had a new CEO (chief executive officer), new chief financial officer, and new policies in place. We continue to work on them.

And I agree with the Provincial Auditor. Have we made enough progress? No, we've got a lot more work to do but we are moving in the right direction. And I believe, I believe . . . I have a great deal of confidence in my staff at SLGA.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, we clearly are getting another answer from the minister today than we received yesterday.

Mr. Speaker, Mr. Speaker, SIGA transferred thousands of dollars to organizations that they had no authority to transfer money to. They gave \$400,000 to the FSIN (Federation of Saskatchewan Indian Nations) and 150,000 to the Saskatchewan Indian Gaming Licensing Authority.

Saskatchewan Liquor and Gaming was aware of these expenditures and did nothing about it. In fact, Saskatchewan Liquor and Gaming approved the payments even though the Casino Operating Agreement makes such payment illegal. In fact, neither Saskatchewan Liquor and Gaming or SIGA have the authority to give casino profits to either the FSIN or to the Saskatchewan Indian Gaming Licensing Authority.

Why, Mr. Speaker, did the minister allow his department to approve hundreds of thousands of dollars in expenditures by SIGA when SIGA did not have the legal authority to make those payments?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Thanks, Mr. Speaker. I'm not sure if the member opposite is indicating that there is some, some intentional fraud carried on here. I don't think that was in the report anywhere.

The \$400,000 that was paid to FSIN was to assist them in ensuring that they had a fair opportunity to enter into the negotiations for the new agreement, Mr. Speaker. It was quite appropriate.

The \$150,000 to Saskatchewan Indian and gaming licensing is to assist them in their training and eventual monitoring and regulation of charity gaming on reserves. I don't see anything wrong with that. We're assisting First Nations people in this effort.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, the Minister of Liquor and Gaming stands in this House and decides that he will make the rules that surround what can and cannot be done through the operating agreement for the casino. He decides how SIGA can spend their money. They are clearly not within the bounds of how the money can be spent that are the profits from casino, profits in this province.

The profits from the casino must flow to the General Revenue Fund and then are to be distributed to First Nations trust, to the people of Saskatchewan through the General Revenue Fund and through community development. He does not have the authority to decide to give dollars to the First Nations or to the First Nations . . . or to the Saskatchewan Indian Gaming Licensing Authority. Will the minister today justify how he can make these decisions when they clearly are outside the operating agreement?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Mr. Speaker, the intent of the initial agreement in 1995 was to assist SIGA in the development of a process whereby they could regulate charitable gaming on reserves. The recent agreement that was signed, if the hon. member would care to refer to it, verifies and supports that type of assistance in order that First Nations may become their own regulatory body with gaming issues for charitable purposes on the reserve. So I see nothing wrong.

We just reaffirmed what was initially the intent in 1995 and it's . . . the Leader of the Opposition should read that agreement as well because there it says the \$150,000 should be part of the payment to SIGA.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, the minister knows full well that the agreement that was signed in June has different stipulations

than what was signed prior to June. This audit is to the end of March 2002. Those regulations were not in place at the time that this report was given and they clearly are outside the legal rules that should and could be followed.

Mr. Speaker, SIGA profits are to go to the General Revenue Fund, to First Nations trust, and to community development organizations. They are to be used for health, education, social services. They are to be used for First Nations families and they are to be used for community development. Yet this minister has chosen to turn a blind eye to what they are to be used for. He has chosen to disregard his responsibility to ensure that all profits do flow to the people of Saskatchewan where they are supposed to.

Will the minister stand in this House and tell the legislature what specific steps he will take today to recover the taxpayers' dollars that have been misspent by SIGA?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Mr. Speaker, out of the \$1.4 million roughly that we were to collect as a result of some difficulties that were encountered previously, we have recovered all but \$150,000 and that will be paid the end of this month.

So, Mr. Speaker, we are doing the very best we can, working within our agreement, working in the best interests of the people of this province and First Nations people. And I'm hoping, Mr. Speaker, that the hon. leader is not now changing his mind about an article in a February . . . 2002, where it says, and I quote:

Hermanson praised the FSIN for running a successful gaming business and complimented it (complimented it) for addressing governance challenges at SIGA.

In his speech Mr. Hermanson said he believes "the financial success of SIGA is one of the great and largely untold business success stories in Saskatchewan . . .

I hope he still believes that and feels that, Mr. Speaker, but I'm beginning to think that he doesn't.

Some Hon. Members: Hear, hear!

First Nations Fund

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Intergovernmental and Aboriginal Affairs. For years, Mr. Speaker, the Provincial Auditor and the official opposition have been asking the NDP government to fully account for all expenditures made by the First Nations Fund. But the trustees of the First Nations Fund have refused to fully account for the millions of dollars they receive from the province.

Last year the First Nations Fund received more than \$14 million from provincial gaming revenues. Yet the Provincial Auditor says that he was unable to determine if all the money was spent according to the laws governing the First Nations Fund's activities. The auditor did discover, Mr. Speaker, that at least \$684,000 was paid to the Painted Hand Development Corp. and

the White Bear First Nation in violation of provincial law.

Mr. Speaker, why is the minister continuing to allow the First Nations Fund to misspend millions of taxpayers' dollars that are supposed to go to assist First Nations families?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Mr. Speaker, let me say that this government appreciates the report of the Provincial Auditor, takes seriously his recommendations, and also bears in mind, takes account of the places where he says we've made progress.

Let me say to the member in response to her question, there is no evidence whatsoever — and she should be very careful about what she says in this regard — there is no evidence whatsoever that any of this money was misspent. And in fact, she cannot . . . she cannot say that we don't have enough evidence of how it was spent and conclude, Mr. Speaker, that the money was misspent. There is no evidence that it was misspent.

We've called upon the trustees of the new First Nations trust, Mr. Speaker, to give an indication on where that money was spent. Let me say that changes have been made since March, as the member well knows, changes have been made to take account of all the issues raised by the auditor, and the member can be assured that money paid out by the First Nations Fund will be supervised very carefully from now on.

Some Hon. Members: Hear, hear!

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, the Provincial Auditor says the trustees of the First Nations Fund still have not established open and transparent detailed accounting practices in the distribution of funds.

The Provincial Auditor has uncovered hundreds of thousands of dollars in expenditures made by the First Nations Fund without legal authority. And the auditor says there is little evidence that either the trustees of the First Nations Fund or the province are all that concerned about fixing this problem.

So what is the minister doing to address this serious lack of accountability in the distribution of millions of taxpayers' dollars by the First Nations Fund? And why is the government continuing to pay millions of dollars into the First Nations Fund while the trustees of the fund continue to refuse to be fully accountable to the taxpayers and to First Nations people?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Mr. Speaker, the member will surely know that this government has just signed a 25-year agreement with First Nations relating to gaming. The member must also surely know that in that agreement there is an agreement on both sides that the First Nations trust will be established and that there are conditions attached, agreed upon by First Nations in the agreement, to ensure that that trust is effectively operated, Mr. Speaker.

And included within those conditions which the First Nations leaders accepted is the commitment to obtain from those who

receive funds from the trust an indication of where those funds are expended.

Let me also say, Mr. Speaker, that I think the people in Yorkton and the people around White Bear casino will be interested to know that the member has indicated that funds have been improperly spent in that area.

Some Hon. Members: Hear, hear!

Social Services Department

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, my question today is for the Minister of Social Services.

Mr. Speaker, the Fall 2002 Report of the Provincial Auditor once again comments on the fact that the Department of Social Services is not adequately following its rules and procedures to ensure that only eligible persons receive social assistance. In fact he states that 21 per cent of the files examined did not contain enough information to verify the eligibility of the applicant and that annual verification of a person's continued eligibility was not adequate.

The auditor says that in 30 per cent of the cases he examined, there was a significant possibility payments were made to ineligible clients or incorrect payments were made to eligible people.

Mr. Speaker, these are repeated concerns from previous auditor's reports.

The question to the minister is this: why has the minister not yet taken action to ensure the established procedures of his department are being followed to ensure the accountability of the system?

Some Hon. Members: Hear, hear!

(14:15)

Hon. Mr. Hagel: — Mr. Speaker, the hon. member will be aware, I assume — or he should be if he isn't — that the officials of the department have been looking very carefully at the recommendations of the auditor for some time and are working on improving our systems to keep track of information. And advances in the IT (information technology) world will assist us in that, Mr. Speaker.

But let me assure the hon. member and all the people of Saskatchewan that the taxpayer dollars spent to support the poor of our province are being well spent. I draw attention to the House, Mr. Speaker, to just an announcement that was made just yesterday pointing out that in the province of Saskatchewan, comparing November of this year to November of last year, that there are in the province of Saskatchewan some 2,000 fewer families that are requiring assistance in order to meet their needs in the province of Saskatchewan today.

Mr. Speaker, the fact of the matter is that over the last four years, introducing building independence and some other programs, there are 6,000 fewer families in Saskatchewan receiving assistance. And the best news is over 13,000 fewer

kids growing up on welfare than just four years ago, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, the Provincial Auditor reports that Social Services has an internal auditor who reports to the department's senior management. He states, and I quote:

The internal auditor's report on social assistance payments is not reliable.

The Provincial Auditor says the high rate of non-compliance within the department's rules and procedures prevents the internal auditor from determining a correct error rate (I say this again, error rate) for social assistance payments. He says the internal audits need to be done on a more timely manner because, without this, and I quote:

... the department cannot be sure that its rules and procedures are working properly to ensure that the money is spent according to the law.

Mr. Speaker, once again these were things the Provincial Auditor has pointed out to the department in previous years. And I again ask the minister, why has the minister not ensured these problems were corrected?

Hon. Mr. Hagel: — Mr. Speaker, the member asks the similar question; the answer is similar.

Mr. Speaker, the fact of the matter is that internally work is continuing to improve the record collecting that is necessary in order to ensure the effective use of taxpayer dollars in support of those who are the poorest of our society.

And, Mr. Speaker, I find it significant that the hon. member and the members opposite do not like to hear about the progress being made to ensure that the future is wide open for those in our province who are going to work at increasing numbers, Mr. Speaker.

It is no coincidence that in November of this month ... of this year when the job numbers have gone up in this province by some 24,000, that the number of people ... of cases on social assistance has gone down by 2,000. The fact of the matter is, Mr. Speaker, dollars are used ... are being used effectively to ensure that we're overcoming the roadblocks to child poverty. We're giving tools to the parents of kids who are poor to get themselves attached to the labour market. That's in their best interest ...

Some Hon. Members: Hear, hear!

Mr. Toth: — Mr. Speaker. Mr. Speaker, the reason the questions are being raised today is because it's the most recent report from the Provincial Auditor. Mr. Speaker, the Provincial Auditor has raised a number of questions most recently, to which he says the ministers have not responded, or their departments.

And I raise another area of concern, the area of maintenance

enforcement. In this report, Mr. Speaker, the auditor points out that 20 per cent of the records they examined, which the department uses to monitor pursuit of child support, were not accurate.

Inaccurate reports, not following rules and procedures, no verification of information. Mr. Speaker, the auditor says this has been a common criticism of the department by his department for the past several years.

Mr. Speaker, the department has a responsibility to its clients and the taxpayers of this province. How does the minister expect maintenance orders to be enforced if the records kept by his department aren't accurate?

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Mr. Speaker, I find it kind of curious, these questions coming from the members opposite. Would the hon. member suggest that if we should go back to the times when his good friend and former colleague, Grant Schmidt, was the minister of Social Services — who by the way has announced that he's intending to take on the hon. member for Saltcoats for the Sask Party nomination in the next election — that that's a better place to be?

The fact of the matter, Mr. Speaker, significant ...

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

Hon. Mr. Hagel: — Mr. Speaker, it seems to get the hon. members a tad bit excited, just the thought of having Grant Schmidt in there leading the charge on social programming. Mr. Speaker, you can see the excitement; it's written all over them. Well, Mr. Speaker, those are the old days. We're not going there.

Mr. Speaker, we've made progress, significant progress for those who are low-income in our province and we're going to keep making continuing progress, and we're not going to go the extreme right wing directions that the Leader of the Opposition says. If he had his way he would rip \$50 million out of the department.

First Nations Fund

Mr. Hillson: — Mr. Speaker, as recently as yesterday the minister in charge of Sask Liquor and Gaming assured this House that any problems with gambling had been straightened out. Now the Provincial Auditor tells us that as far as the First Nations Fund is concerned, nothing has changed. He says the trustees, quote "continue to make payments not permitted by law." He says none of his recommendations last year have been followed.

How can the government contemplate expansion of the gambling industry before the prosecutions unit decides whether or not there will be criminal charges and before the Provincial Auditor's requests for reform have been complied with?

Hon. Mr. Axworthy: — What was the question again, Mr. Speaker?

The member would not, I know, as he's a lawyer, would not want me to comment on the situation with regards to investigations into whether any charges might be laid with regards to the activities of SIGA in the past, Mr. Speaker. But let me just . . . (inaudible interjection) . . . Well to the charges that arose . . . the incidents that arose in the past.

Let me just say though this, Mr. Speaker, that it is quite clear from the actions of this government both with regards to Sask Liquor and Gaming and the Department of Aboriginal Affairs, that major changes have been made with regards to accountability in this area. And, Mr. Speaker, the agreement entered into between the government and First Nations makes it clear that First Nations trustees, the trustees of the First Nations trust, are undertaking very different . . .

The Speaker: — Supplementary question.

Mr. Hillson: — Yesterday the minister in charge told us the problems had been fixed. Today the Provincial Auditor tells us nothing has changed, nothing.

Today I understood the minister to say that if a casino situated on land that goes into an urban reserve, if that land is created as an urban reserve, the province will no longer exercise any jurisdiction over gambling. And I wonder if he would clarify that for us.

Is he telling us that where a casino goes on urban reserve, the province will cease to even attempt to enforce what they have clearly not enforced to date? Or in the alternative, if the government will continue to exercise jurisdiction over casinos on urban reserves, what steps will he take to make sure that the First Nations Fund trustees comply?

Hon. Mr. Axworthy: — Well, Mr. Speaker, the record is clear here with regards to the provincial jurisdiction over gaming. The reason for the 25-year agreement is plainly because that exists. The member is quite wrong if he's suggesting that provincial jurisdiction would not continue to apply on First Nations.

Mr. Speaker, the member then said what changes have taken place. Well, Mr. Speaker, the trustees have agreed in the 25-year agreement to undertake greater accountability procedures, including, Mr. Speaker, providing evidence of . . . providing the reports they receive from the recipients of the trust on the basis . . . on what those monies were spent, Mr. Speaker.

And if those trustees do not comply with those requirements laid down in the trust, then, Mr. Speaker, we will ensure that they do.

Some Hon. Members: Hear, hear!

TABLING OF REPORTS

The Speaker: — Before orders of the day, I would just like to bring to . . . put on the record that I did right after prayers today table the 2002 Fall Report from the Provincial Auditor, Volume 2.

ORDERS OF THE DAY

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, I'd ask for leave to move a motion of urgent and pressing necessity under rule 46.

Leave granted.

MOTION UNDER RULE 46

Provincial Finances

Mr. Krawetz: — Thank you very much, Mr. Speaker. And thank you to the members of the Legislative Assembly for the opportunity to bring forward a very important issue facing the province of Saskatchewan right now.

And that is to understand the financial picture, the complete financial picture of the province of Saskatchewan. At the conclusion of my remarks, Mr. Speaker, I will be moving a motion that recommends that the Government of Saskatchewan change its position.

Mr. Speaker, many people have looked at the province's finances outside of this Assembly and they wonder why Saskatchewan has taken so long to move forward. Provinces across this nation — seven of them to be exact — have moved forward, have moved to a position of summary financial budgeting.

And, Mr. Speaker, I think I want to begin by explaining that to many people in the province of Saskatchewan, as to the position that is followed by the New Democratic Party and the government of the day, and the position taken by many other jurisdictions.

Mr. Speaker, in Saskatchewan, Saskatchewan has been known that we rely on Crown corporations the most of any province in Canada. And as a result the General Revenue Fund, which we debate in the Legislative Assembly through a process of a budget that is prepared by the Minister of Finance and treasury, we debate that budget each and every spring. And, Mr. Speaker, that budget contains about 60 per cent of the province's economic activities. The remaining 40 per cent, Mr. Speaker, is within the Crown corporations.

So for people to have a clear understanding of where the provincial position is for the entire economy, they must look at both the General Revenue Fund and the Crown corporations to get the full 100 per cent.

Mr. Speaker, accompanying the General Revenue Fund and Crown corporations are two words, deficit and debt. And it is very clear, Mr. Speaker, that over the last couple of years, this government has, through its General Revenue Fund, produced deficit budgets. And deficit budgets, Mr. Speaker, as described by economists throughout the world is simply this: if your expenditures exceed your revenue, you have a deficit. So, Mr. Speaker, the NDP government has maintained a deficit budget for the last three years at least, when you take a look at the full economic picture.

One of the situations then is that when we talk about deficits

and the accumulations of deficits, we arrive at the word, debt. And, Mr. Speaker, the Provincial Auditor, along with the documents that he has produced, show very clearly that the debt of government, that is the accumulations of all those deficits over the years of government, is now reaching \$8.7 billion.

So, Mr. Speaker, that's a huge amount of money when we take a look at a province of our size; the fact that we are not growing. We in fact have either become stagnant or in fact, as Statistics Canada has released, we are declining in population. That is a huge debt for government only.

(14:30)

Now accompanying government debt as well, Mr. Speaker, we have to talk about the Crown debt because every person in Saskatchewan, maybe except for the government members opposite, know that there is only one taxpayer. The debt of the General Revenue Fund, the debt of our agencies, of our Crown corporations is the debt of the people of Saskatchewan. So we've got to look at that entire picture, Mr. Speaker.

And in the mid-term report just produced a couple of weeks ago by the Minister of Finance, the minister has indicated that the mid-term . . . mid-year projection for the Government of Saskatchewan, the debt will now sit at \$11.9 billion. So in other words, we've taken a government debt through the General Revenue Fund of about 8.7 billion and we've added to that, Crown corporation debt of 3.6. So we're now sitting at \$11.9 billion.

Mr. Speaker, the government members opposite expressed their opinions in this House a number of times a couple of years ago by stating, and I recall Mr. Romanow standing in his place and saying, we are reducing the debt. And the overall debt, in fact, Mr. Speaker, was being reduced. There were the sales of Cameco shares, there were the sales of the Husky Oil Upgrader, and those monies received were applied to debt.

As a result, overall debt had declined to about \$11.1 billion. But in a short two years, Mr. Speaker, according to the documents of the Provincial Auditor and the Finance minister in his mid-term . . . mid-year report, we have now reached or are going to be reaching 11.9 billion.

So the question, Mr. Speaker, is how can we look at a complete and transparent financial picture? And that, Mr. Speaker, is summary financial budgeting. Summary financial budgeting is that . . . in that we would have the ability in this Legislative Assembly, through a model that the Provincial Auditor has put forward, we would have the ability to look at all of government. We would see the estimates of the General Revenue Fund as we see them today and in past years, and then we would see the expectations of all of the Crown enterprises as the Provincial Auditor refers to those entities.

Those Crown enterprises would not be disclosing their game plan regarding, you know, marketing and anything in that nature. They would be disclosing their bottom line. But more importantly, Mr. Speaker, it would provide measurability and clear objectives for the members of the Legislative Assembly. We as legislators, the public at large would be able to see what the entire picture for the province is.

And I want to turn, Mr. Speaker, to the budget of a year ago. The budget that was presented in this House stated that the plan of government was that we were going to have in the General Revenue Fund a surplus — not very large; it was planned to be under \$1 million. And that was for the year-end March 31, 2002.

Since then of course we've had the Provincial Auditor do a complete review of all Crown corporations, of all of the statements of the entire package of government, and now the Provincial Auditor has revealed in his fall document entitled understanding the province's finance . . . finances, he's revealed that the actual financial position of the province of Saskatchewan at March 31 is \$483 million in the negative — in a deficit situation.

So we have a General Revenue Fund that people are looking at during the debate on the budget in March and April and saying, well there's going to be a surplus, small as it was. And then the auditor says, but really overall the entire financial picture of the province for that fiscal year ending March 31, 2002, the province actually was \$483 million in the hole.

Mr. Speaker, those kinds of things will continue to happen unless we see financial . . . summary financial budgeting in this Legislative Assembly. We need to know that there were expectations that Crown enterprises from the previous year were going to drop by nearly \$300 million in net revenue.

Mr. Speaker, when I take a look at the auditor's report, and he indicates that for that fiscal year there were . . . the dollars received — net dollars received — from Crown enterprises was \$426 million. We also know that of that \$426 million, 318 million came from the SLGA, the Saskatchewan Liquor and Gaming Authority. So when we take that number off for that one Crown enterprise of 318 million, we're now left with only \$108 million net profit of all other Crown enterprises.

Now let's take a look at what the government has put forward for this fiscal year, Mr. Speaker. In its budget the government states that it will rely to balance the budget — as it's so called, but we know it's not a balanced budget because they're borrowing money to offset their expenditures — they will be expecting \$300 million from CIC (Crown Investments Corporation of Saskatchewan) in the way of a transfer. The auditor has just pointed out in the year previous that the maximum amount that came from Crown enterprises was 108 million. It may be impossible in fact to achieve this \$300 million transfer unless it's borrowed money.

And that, Mr. Speaker, when you take a look at the proposed budget of the government that is put forward, it is a deficit budget. The revenues do not exceed the expenditures.

So the government has devised a very, very innovative way of saying, well we're still going to balance the budget because we're going to use something called the Fiscal Stabilization Fund.

Mr. Speaker, the Fiscal Stabilization Fund is simply a line of credit. It's a line of credit established and every time the government opposite uses that line of credit, the debt of the province goes up.

The Minister of Finance has indicated that, in his mid-term report, that the debt . . . the reason . . . some of the reasons for the debt increasing to \$11.9 billion is that the Fiscal Stabilization Fund usage has risen from a proposed \$225 million worth of borrowing in the spring to now a \$324 million borrowing out of that Fiscal Stabilization Fund.

So our debt has risen and very clearly it points out that the Fiscal Stabilization Fund in Saskatchewan is not really a fund; it is a line of credit. And each time it is accessed, the debt of the province goes up.

Mr. Speaker, a number of people have commented about the Fiscal Stabilization Fund and how it works. And I would like to enter into the record some comments made immediately after the mid-term financial report. And this comment is from the Provincial Auditor, Mr. Fred Wendel, and I quote, he says:

The Fiscal Stabilization Fund is not a proper accounting practice. It's not following generally accepted accounting practices. It allows you to say that you're not running a deficit. I would say it could well be worse . . .

It could be over \$483 million. In other words he's commenting on the position of the year before.

Norm Halldorson, who is the chartered accountant and a Chair of the Saskatchewan Chamber of Commerce, the finance section, says this about the Fiscal Stabilization Fund:

This has been an accounting shell game. There's nothing to withdraw. There's nothing there.

And in a Regina *Leader-Post* editorial it says:

Little more than 18 months after (opening up) opening the spending taps in his first provincial budget, Premier Lorne Calvert now hears the gurgling sound of a river of red ink. Calvert's decision to increase spending by a whopping \$448 (million) in March 2001 after years of restraint under Premier Roy Romanow now looks like too much too soon.

So, Mr. Speaker, you can see that if we are not looking at the complete summary financial documents, government can erroneously make huge expenditures without knowing whether or not the fiscal position of the province is able to bear that out. And we see that example, Mr. Speaker, in the fact that the General Revenue Fund surplus for that year was under \$1 million while the overall deficit of the province is, is \$483 million.

Mr. Speaker, one of the other creative things that needs to be looked at — and we've seen in private practice the whole Enron episodes in North America and many other questionable accounting practices — one of the things that has been started this fiscal year by this government is the removal of balance-sheet-on-balance-sheet expenditures.

We've seen the creation of something called the Education Infrastructure Corporation, where now the building of capital assets at the post-secondary level — that is SIAST (Saskatchewan Institute of Applied Science and Technology) campuses, university campuses, the kindergarten to grade 12

level — those expenditures now are going to be dealt with without having to actually expend the money in the year as we've always had in this budget, off balance sheet budgeting.

Mr. Speaker, that points to, very, very clearly, the need to ensure that we have the entire summary financial budgeting process here in the Legislative Assembly each and every spring because this is the only way that that money will be tracked and accounted for.

And in fact, Mr. Speaker, I'm assuming that we will start to have to pay back those portions that have been allocated over 20-year periods or 30-year periods. We're going to have to start ensuring that that is paid back. There will automatically mean that we will have to have a line item in someone's budget that says, we're now paying back 10 million or 15 million or whatever the case may be. So I think, Mr. Speaker, it clearly points to the fact that we need to look at summary financial budgeting.

Mr. Speaker, I would like to make a couple of more comments before I move my motion, in regards to previous comments made in the Legislative Assembly.

I've had the opportunity to listen to members opposite in Public Accounts Committee and to hear their, their opposition I think to the Provincial Auditor's recommended . . . recommendation even though the Provincial Auditor has made that recommendation for at least, you know, a number of years. And in his document in the last two years, and I'm quoting now from the 2001 Fall Report, the Provincial Auditor says:

It is time for Saskatchewan to change. The government should focus its overall financial planning information on the entire government.

So, Mr. Speaker, I look back at comments made in this Legislative Assembly and I want to share some comments from *Hansard*, and these are directly from *Hansard*. And they say this:

. . . that while these separate statements for these separate entities aid in understanding of the individual entity, they do not aid in providing what he says is an understandable overview of the entire activities of government.

This was a comment made by a member in response to the Minister of Finance stating that, you know, the entities were actually provided. He goes on to say:

When might we expect an implementation of summary financial statements?

The B.C. government very clearly publishes . . . (its) . . . summary financial statements. The Alberta government provides summary statements.

And on and on.

So I guess my question is that if you really want to provide a complete picture for the people of the province of Saskatchewan of the financial situation in Saskatchewan, why don't you provide them with summary financial statements that

are now being provided in many other provinces?

Mr. Speaker, those comments are from *Hansard* dated June 21, 1990 and they are made by the member opposite, the member for Regina Victoria, questioning the Finance minister of the day.

So very clearly the message delivered by the NDP government in 1990 when it was not the government, when it was opposition, was we should be moving to summary financial budgeting. And, Mr. Speaker, I'm not going to read all of his comments but they're in the line of saying: why are you procrastinating; why are you studying; you've stated so many years that you're studying this issue when you should be moving forward.

Mr. Speaker, they have the opportunity to move forward. They have the opportunity to support the resolution that has been put forward by the Provincial Auditor that says it's time for Saskatchewan to change.

And with those comments, Mr. Speaker, I would like to move, seconded by the member for Moosomin:

That this Assembly urge the government to follow the recommendations of the Provincial Auditor and begin using summary financial statements in its budgets in order that all financial activity of the government be incorporated to provide the people of Saskatchewan with a much more accurate, honest, and transparent view of the state of the provincial government's finances when the annual budget is presented.

I so move.

Some Hon. Members: Hear, hear!

(14:45)

Mr. Toth: — Thank you, Mr. Speaker.

Mr. Speaker, it's my pleasure to second the motion brought forward by my colleague, the member from Canora-Pelly.

When you look at the motion, Mr. Speaker, it's certainly a motion that everyone in Saskatchewan should be concerned about and should be raising the question with this government regarding the finances of the province and how we understand the finances of the province.

Mr. Speaker, the motion that has been brought forward by my colleague talks about accurate, honest, and transparent financial statements so that people in Saskatchewan know exactly what's going on and know exactly what the government is doing and how the government is, on many occasions, doing shady accounting to cover up its dealings in the financial field and the fact that it's not really being totally truthful with the people of this province in how it reflects the finances of the . . . of this province.

Mr. Speaker, earlier on when the auditor released his audited financial statement for the fall of this year, he revealed — and I'm quoting right now, Mr. Speaker, from the *Leader-Post*,

September 27 of this year — revealed Thursday the province is \$483 million in the red this year and continued to lambaste the government over the way it portrays its financial books to the public. In his Fall Report, auditor Fred Wendel said the government did not live within its means and is stifling the economy . . . the economic growth the province has experienced, during the last seven years.

In fact in his report, Mr. Speaker, Wendel renewed his call for the government to change the way it presents its financial figures to the public. What he tells us, Mr. Speaker, is the government focuses its budget on the General Revenue Fund, but that excludes nearly 80 . . . 40 per cent, pardon me, 40 per cent of the government's other financial activities.

For example, transactions within Crown corporations such as the Saskatchewan Crop Insurance Corporation, Saskatchewan Housing Corp, Information Services Corporation, are made outside the General Revenue Fund. That means, Mr. Speaker, the auditor's saying that means the people of Saskatchewan are not getting a clear picture of the way the government spends its money.

So what does he recommend? He recommends that the government come forward with summary financial statements reflecting overall the total expenditures of government. What he's continued to say, and I read from this article again, Saskatchewan's financial situation in 2002 is about-face from last year. What he's saying, Mr. Speaker, in 2001 the government raised \$461 million more than it spent. The dismal 2002 numbers erase any progress that was made against the accumulated deficit which sits at \$8.7 billion.

What it's saying, Mr. Speaker, is this government continues to hide the true financial picture of the province of Saskatchewan so that it can continue to raise a curtain . . . or draw a curtain in front of the eyes of the taxpayers of Saskatchewan and, Mr. Speaker, misleading the taxpayers in their views of the financial affairs of the province of Saskatchewan.

The Provincial Auditor points out that this NDP government last year didn't make money; it actually lost money. It lost \$483 million. And, Mr. Speaker, what he was also saying when he released his report is that the deficit could end up being even higher this year.

So, Mr. Speaker, it's imperative that this government take a serious — not look — but consider seriously the recommendations of the auditor that we move to summary financial statements so we get a more clear picture . . . or a clearer picture of the financial state of this province.

And I want to point out, Mr. Speaker, comments made by the member from Regina Victoria back in June, June 21 of 1990, and it's very interesting — it's very interesting. I'm sure that this NDP government will find these comments might . . . by the member, while he was sitting in opposition, very interesting. And so just for their pleasure, I would like to just quote a few comments from *Hansard* of June 21, 1990, and it states . . . it says . . . Mr. Van Mulligen states the . . . and he states:

. . . that to fully understand the financial position and economic activities (of government) of the Government of

Saskatchewan, a financial statement showing a complete picture of what is owned, what is owed, the source of revenues and the nature of expenditures, is required. He refers to these as summary financial statements.

Well, Mr. Speaker, I find that very interesting. Ten years from — 10 years later the Provincial Auditor is telling us we need summary financial statements.

And he goes on to state in his debate at that time, when might we expect an implementation of summary financial statements.

He points out that the BC (British Columbia) government clearly publishes a summary financial statement, the Alberta government provides a summary financial statement. Manitoba is changing. In fact, it says many provinces and the province of Saskatchewan have moved to summary financial statements.

Mr. Speaker, the member from Regina Victoria back in 1990 also went on to say:

I don't know of any government in Canada that I think needs to move with greater speed and urgency in publishing summary financial statements than the Government of Saskatchewan.

And in that quote, he talked about a \$4.4 billion accumulated deficit and growing. And what is it today, Mr. Speaker — 8.7 and growing.

Mr. Speaker, he also said . . . Then he ended his comments by again asking the then minister, the minister of Finance in 1990:

Might we expect summary financial statements next year?
Might we expect them the year after that? What is your timetable?

Mr. Speaker, I find that very interesting because while the member from Regina Victoria, while he sat on this side of the Assembly as an opposition member, in the spring or the summer of 1990, is asking the former Conservative government for summary financial statements.

But you know what was interesting? By the time the spring of 1991 rolled around with an election looming on the horizon, all of a sudden those members forgot about summary financial statements. Their comment of the day was, we will not allow your government to pass its budget. And, Mr. Speaker, you're aware of that. They said they would not allow that government of the day to pass the budget in the spring of 1991. And they did a good job and they didn't do that.

Why didn't they do that, Mr. Speaker? Because they wanted then to turn from . . . take those same figures and take that budget that was presented in 1991 . . . Because there wasn't a summary financial statement to show the total picture, they wanted the ability then to show that budget of \$252 million deficit — which was a deficit, it was acknowledged at that time — but they wanted then to put their own emphasis on the budget and in the fall of '90-91, after they were elected, turn that \$252 million deficit into almost a billion dollar deficit decrying what the former government had been doing. And, Mr. Speaker, a deficit is a deficit, whether it's through the '80s and

the Conservative government or the NDP in the '90s.

But the facts are, Mr. Speaker, if we had summary financial statements, it would clarify the issue of ministers of Finance taking and willy-nilly moving numbers from one can into the next can, Mr. Speaker, as the Minister of Finance has been doing. And as a result of that, with the lack of summary financial statements, the taxpayer of this province really does not understand what the fiscal position of the province is. And the taxpayers of this province do not understand the dire consequences of continuing on down the road we're going.

Mr. Speaker, it would seem to me that if the member from Regina Victoria felt it was very important in the spring of 1990 to suggest it's time we move to summary financial statements and what can we expect that . . . can we expect that move immediately? It would seem to me, Mr. Speaker, that that member sitting in his caucus over the past 10 years with the different Finance ministers that have sat in the chair, would have been raising the same concern and suggesting to the Finance ministers of the day, it's time we moved to summary financial statements.

Mr. Speaker, there isn't a business that would be able to function in this province if they did not have an overall view of the expenditures in their business. Mr. Speaker, if they tried to set up one account over here and another account over there so they could . . . And in many cases we see that happens. I think the . . . I think the Enron group tried that, moving . . . taking from Peter to pay Paul and then from Paul back to pay Peter, and at the end of the day it caught up with them.

And that's what's exactly happening here in the province of Saskatchewan. And we saw in the last provincial budget, we saw this government again creating little entities whereby they could say, well there's some funds over here. But yet when you question them in estimates, Mr. Speaker, we find that these entities, like the Fiscal Stabilization Fund, actually have no real cash value. There's no money there.

And yet the Minister of Finance can stand up in his interim report about three weeks ago and say, well we were . . . had found ourselves in a bit of a shortfall so we've gone to the Fiscal Stabilization Fund and we've withdrawn some money from that fund. And, Mr. Speaker, let's be clear — there's no money there. But they would have withdrawn some money. Actually, Mr. Speaker, what they did was they've borrowed money to transfer to the General Revenue Fund so that their deficit would not look as difficult and . . . as it actually was, Mr. Speaker.

So, Mr. Speaker, I think the motion brought forward by my colleague is an appropriate motion. It's a motion that really raises the question of financing, of bookkeeping, and how we portray the finances and the expenditures and the revenues of government in the province of Saskatchewan.

A summary financial statement or over . . . the overall pictures of government expenditures laid out before the public of Saskatchewan would give the taxpayers of this province a greater confidence because they would have a greater knowledge of what the fiscal responsibilities and the fiscal expenditures of this province were actually all about. And

people . . . at one simple glance, Mr. Speaker, the public of Saskatchewan, the taxpayers of this province, would know beyond a shadow of a doubt exactly what the total fiscal or financial picture of the province was all about.

And therefore, Mr. Speaker, I find it . . . it's been a pleasure, Mr. Speaker, just to stand and to second the motion that's been brought forward by the member from Canora-Pelly and asking this minister when and if he has . . . and this government, this Premier, if they have any intention of moving forward and presenting summary financial statements so the people of Saskatchewan can see up front exactly what the expenditures of the province are, and the people of Saskatchewan know beyond a shadow of a doubt exactly how their government is handling its fiscal responsibilities.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Well thank you, Mr. Speaker. Now I'm going to start by informing you that I have several comments I'd like to make, but at the end of those comments I will be moving an amendment to the motion of the members opposite. And I think after I explain all the good reasons, they'll understand why.

You know, Mr. Speaker, when people tell me they're considering running for election, I always ask them why. What is it you want to get done? Because I think it's important, Mr. Speaker, that people who want to serve in public office have a song in their heart. And you know these songs ebb and flow and sometimes over time they grow new themes and they change. And having been on Treasury Board for several years now, I have developed a song in my heart about fiscal responsibility.

Now it may seem an unusual topic for a song, Mr. Speaker, but I guess that's just the way it is. I think any of the Finance ministers or people who have served on Treasury Board since we were first elected would certainly share some of this song because of the continuing need to deal with the result of the irresponsible financial management of the government of the '80s which certainly had many friends, associates, and co-workers in the present opposition. And I have a song in my heart, Mr. Speaker, to make sure that they never get a chance to do that again.

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — But I'm going to explain a little more about that. You know, there is a big difference in the way that we look at fiscal responsibility. And I'm just going to spend a little bit of time trying to explain the difference so that people can understand it from a point of view of someone who's had to deal with it.

I don't know if you remember — I know that a lot of things have happened since then — but the Devine government of the '80s was continually late in tabling budgets. Some years they didn't even bother. They delayed the release of the Public Accounts for years. No one knew what was happening within the finances of the Crown corporations while they stripped them of assets.

Well not only do we have reduced debt and interest on the debt, but everything we do is now out in the open, Mr. Speaker. We've had summary financial statements since 1992. We consider the Provincial Auditor as an important part of the financial process in government. We worked very closely with the previous auditor and we work very closely with the current auditor to make constant and steady improvement in financial accounting.

(15:00)

We've implemented better financial reporting through financial statements that include the Crowns, with mid-year and quarterly reports and the timely tabling of documents. We've implemented 80 per cent of the auditor's recommendations. And our auditor says Saskatchewan completes its public accounts earlier than most provinces.

For 2001-02 our public accounts were released four months after year-end. I contrast that, Mr. Speaker, with 1986-87 where they weren't released for 13 months. And you tell me how you manage on that basis. The members for Swift Current and Moosomin should remember this, particularly because they were there.

In 1990-91 the Provincial Auditor basically refused to sign off the books. I'm going to repeat that, Mr. Speaker. In 1990-91, just before we took over responsibility, the Provincial Auditor refused to sign off the books because they didn't make any sense. And now, Mr. Speaker, he says our financial reporting is first rate.

Now I just want to mention some of the things that the auditor has commented on. He says over the past eight years we've spent 2 billion less than the revenue that we've raised. He says that Saskatchewan's finances continue to compare favourably with most other provinces. In terms of debt, we've gone from being the worst to one of the best in Canada. And the auditor says our revenue from taxes and other revenue was the second lowest as a per cent of our GDP (gross domestic product). So we take less out of our economy in taxes than any other province other than Alberta. So anyone who tells you that you pay the highest taxes, Mr. Speaker, is just not telling you the truth.

The auditor also says that our federal transfer payments are the fourth lowest as a per cent of our revenue. Now this is, I guess, a lot of complicated financial stuff, but I would say, Mr. Speaker, that the opposition are very selective about what they choose to quote from the auditor and the auditor's report.

I just want to contrast our approach for a moment with the approach of the opposition and the Leader of the Opposition. As you know, they have a plan called the Grow Saskatchewan plan, although we kind of think it's more of a slogan. And we think it's a plan to grow deficit and debt. Whenever anybody wants to spend money, the Leader of the Opposition says, yes. Whenever anybody wants a tax cut, the Leader of the Opposition says, yes.

Now we try to say yes as often as we can but we take time to stop and think whether the decisions are sustainable, whether they're affordable, and whether they're responsible.

And I say to the opposition, in the interests of accountability, show me your money. I want to see exactly what their accountable plan is to deliver on all these yesses that they spread so freely around.

And I want you to contrast that again with our approach, Mr. Speaker. We have had the 10th credit upgrade that the province has had since 1995.

And I want to commend the current Minister of Finance, the member from Saskatoon Mount Royal, because I think he has very high standards of financial management, accountability, and reporting. And it's been a real pleasure to work with him on Treasury Board and all the other people who have come and gone to ensure that we make the best choices that we can for the people of Saskatchewan, while providing sustainable budgets.

Now, Mr. Speaker, from time to time, economies take a dip and you make choices about how you're going to handle those downturns. And they happen regardless of who the government of the day is. But I want to say that we always approach this with an intent to preserve the priorities of Saskatchewan people, but as well to make sure that our decisions are sustainable.

And I'm going to just emphasize the value that we place on the work of the auditor, Mr. Speaker. The auditor had identified areas he feels we need to improve and I will just say that we will continue to work with him on those.

But he has several conclusions that I think the public would like to hear for the record. He states that for the most part, 140 different agencies:

... have adequate financial management practices to safeguard public resources.

He states:

... the Government continues to improve its overall practices for managing public resources and public accountability.

And he states that the Department of Finance:

... does a good job (of) managing its responsibilities for safeguarding and controlling its assets and ensuring compliance with the law.

Those are his overall findings, and he's looked at about 148 agencies that manage roughly \$6 billion and he's saying that in very large part they are very well run. He's also highlighted specific examples of departments that have made significant progress.

So I just say, Mr. Speaker, that we comply with the vast majority of the auditor's recommendations and the only area where that does not occur is where there's ongoing work taking place.

And I think this evidence is supported by media reports. I'm just going to read a couple of the things that the media has said, Mr. Speaker, to just reinforce that this is not an opinion that we only share with ourselves.

Saskatchewan has done a great job over the last few years in getting its fiscal house in order . . . Saskatchewan has done a great job in addressing what was a serious debt problem. It has its fiscal house in order and we're quite pleased with what we see.

This is a quote from David Rubinoff, Moody's Investors, CBC Radio, January 29, 2002.

Here's one from the *Leader-Post* from this summer:

Over the long term, the NDP has performed well since taking over the reins from Grant Devine's Progressive Conservatives in 1991. It has managed to reduce the public debt . . . in the process reducing the debt-to-GDP ratio from 69% to 34%.

I think anybody who runs a household would know what it meant to reduce your debt level that far.

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — And I'll just finish that part with this quote from Moody's Investors Service from this August:

The province has established a strong record of following prudent policies that have resulted in . . . much improved financial position. The outlook is stable.

And as we know, Mr. Speaker, stability has a lot to do with economic development and people's choices about where they invest and where they locate business.

And now, Mr. Speaker, in the interest of accountability, I think it's important to hold the opposition accountable for their proposed financial plan because, Mr. Speaker, we have a plan; they have a slogan. And I think it's incumbent on them to tell the people of Saskatchewan where they stand.

You know, two years ago and you may remember this, Mr. Speaker, because . . . but two years ago they howled because we weren't taking the budget dividend from CIC. This year they're howling because we are. The only thing that's consistent, Mr. Speaker, is the howling.

Two years ago they howled because they thought they were sitting on a fortune in the Fiscal Stabilization Fund. This year they howl because we're spending it. They howled because they thought there was no money in the Fiscal Stabilization Fund, and now they howl because we're using it.

Well you can't say there's no money in the fund, and then in the next breath complain that it's being spent.

Whenever our credit rating has improved they've howled because debt went down and they accused us of bragging. This year they howl when the summary financial statement debt isn't going down.

In 1998 they howled when personal income tax came down. In 1999 they howled when the sales tax came down. It's no wonder that we get Kyoto confused with coyote. They howled in 2000 when personal income tax came down again.

Well you get my drift, Mr. Speaker. I don't need to continue to make this case. But the fact is the opposition is completely incapable of articulating a consistent position on any financial issue. When you really come down to it, they're upset because we've improved our credit rating, lowered debt, grown a record number of jobs in a difficult period of drought.

Now, Mr. Speaker, I'm going to remind them of some of the things that they have said.

The member from Canora-Pelly has praised the government on several occasions and he might want to take note so he remembers his words. He said, and I quote:

... I think you can include the official opposition as supporting what you have decided to put forward as far as improving the accountability.

And yes, I do want to say that I wish to congratulate you (even) on putting forward the changes to the auditor's Act.

That was in *Hansard*, May 15, 2002.

Again the member from Canora-Pelly:

... I'm not suggesting that you're trying to mislead the people of Saskatchewan ...

We're pleased about that. And:

Mr. Minister, I am not suggesting that you are mishandling the finances ...

And I just want to say, Mr. Speaker, that we appreciate the support of the member from Canora-Pelly.

Now he's not alone in this. The member for Melfort-Tisdale stated in the Public Accounts Committee that:

... the summary financial statements (oh actually the word, the summary financial statements) in those reports are comprehensive ... complete, and ... well done.

And the Finance critic admitted on CJME radio that:

When you look at the two together, I think you get a complete understanding of the province's financial picture.

So, Mr. Speaker, I will just say that we intend to continue working with the auditor because we do have a song in our heart about fiscal responsibility. And I remind the members opposite of their quotes, just to ask them to quit flip-flopping on these issues and to develop a little consistency on financial matters.

And in recognition of our ongoing progress and commitment to working with the auditor, I wish to move an amendment. The motion is, Mr. Speaker:

That all words after "Assembly" be deleted and substituted with the following:

(a) recognize and support government's efforts to improve

accountability and the transparency of public finances by the introduction of mid-year financial statements, quarterly financial statements, and summary financial statements as well as timely release of public accounts;

- (b) recognize that the Provincial Auditor has noted repeatedly that Saskatchewan's system of financial reporting is more timely and informative than other jurisdictions;
- (c) recognize that the Provincial Auditor's office in its recent presentation to the Public Accounts Committee indicated that a modified form of summary financial budgeting would be appropriate for Saskatchewan;
- (d) recognize that it is apparent from the presentation to the Public Accounts Committee that there is work to be done in determining the form of summary financial statements for Saskatchewan; and
- (e) urge that the Department of Finance officials continue to consult with the Provincial Auditor to move forward toward the presentation of budgets on a summary financial basis.

I so move, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Melenchuk: — Thank you very much, Mr. Speaker, and it certainly is my pleasure to enter into the debate on public finance. Really this is about public finance within the Government of Saskatchewan.

And certainly before I get into more specifics, I would just like to acknowledge the good work of my Treasury Board colleagues and the Minister of Finance for the fine work that he has done in preparing budgets for the Government of Saskatchewan the past few years. And I would like to say that the Treasury Board process is one that is very active with this government, it is one that has never been neglected, and it is one that has served this government extremely well.

When we talk about the main motion, with regard to the members opposite, on summary financial statements, and we talk about the amendment that has been presented by my colleague, obviously I will be supporting the amendment.

And the reason I will be supporting the amendment and not supporting the main motion is because when we look at what we are actually doing in the province of Saskatchewan, we have been providing summary financial statements since 1992. The fact of the matter is that this particular government provides a more complete picture of its activities than just about any other government in North America. And the reason for that, Mr. Speaker, is that not only do we provide a complete accounting of all activities of government on a summary financial basis, but we also provide a Consolidated Fund which is our General Revenue Fund. Just about everybody else does not do that to provide that much detail.

(15:15)

Now currently we have a Balanced Budget Act that provides for activities within the General Revenue Fund or the Consolidated

Fund or the operating side of government. And we are meeting those targets, Mr. Speaker.

When we looked at the summary financial statements . . . And what does that mean? It means all of the activities of government on the operating side, line departments, and also the activities within the Crown corporations. And the reality of the day is that what the members opposite would like — and this is really the critical issue with regards to this debate — is they would like to have the summary financial statements prepared as a budget item in a budgetary fashion in terms of performance measures and all of those things.

And I think that this government is really not opposed to doing that at some point in time. And certainly we are looking at this. But the reality of the day is there needs to be recognition of what this government has done since it became government in 1991 and compare that to what has been done not only to the previous jurisdiction but jurisdictions across Canada.

And I would say having had an opportunity to examine in detail the operations of government as a Treasury Board member since 1999, that our record stacks up to any other across Canada. In fact, I have no problem defending that record of accounting and even talking about how we can improve that record as well in the future, Mr. Speaker.

Now you don't have to take our word for this. I think what you should do is talk about some of the finance accomplishments just this year in '02-03. What do the outside agencies say? Well guess what? We've had the ninth consecutive balanced budget on the GRF (General Revenue Fund), which was delivered in March 2002. There is no dispute on that.

This is the sixth consecutive budget with new tax cuts. There have been tax cuts every budget year from 1997 to 2002. There's been a 50 per cent increase in the corporate capital tax exemption from 10 million to as much as 15 million. And we are in the final phase of the personal income tax reform which takes place on January 1, 2003. And what that does is it de-links completely the personal income tax that is done in Saskatchewan from the federal income tax system, and it provides an incremental decrease as well and full indexing, which is the first thing and something that was neglected quite badly by the previous administration, Mr. Speaker.

Now the average Saskatchewan family will pay more than a third, 37.3 per cent less provincial income tax in 2003 than in 1993, Mr. Speaker. That is 37 per cent less provincial income tax.

This family's provincial income tax will be 2,500 on average in 2003, 1,490 less than the almost 4,000 paid in 1993 — significant improvements on the personal income tax side. And in 2003, Mr. Deputy Speaker, Saskatchewan's top marginal income tax rate will be the third lowest in Canada — the third lowest, Mr. Speaker.

In May 2002, Moody's Investors Services upgraded Saskatchewan's credit rating from A1 to Aa3. The province's tenth consecutive credit rating upgrade in eight years. Now this just doesn't happen by happenchance, Mr. Deputy Speaker.

This happens because of hard work by every government member, by every Treasury Board member, by every line department in making sure that we have accountable and we have controls of expenditures. And when we look at the expenditure control that we have in this particular government, which I'm very proud of, is the fact that expenditures over budgeted items on our GRF are invariably within that 1 per cent or less than 1 per cent range.

And I would compare that to any corporation in North America or any other government across Canada or in North America because we do have tremendous control of the budgeting items within the GRF, Mr. Speaker.

Now when we look at the release of Public Accounts in 2002, this confirms Saskatchewan's eighth consecutive balanced budget on the GRF side.

Now I must also admit, Mr. Deputy Speaker, that I was also very pleased to see the new incentives for mineral exploration which was announced this past September. And I also was very pleased to see the major royalty and tax changes announced October 2002 to stimulate increased oil and gas exploration and development.

And in the release of the mid-term report in November 2002, there was confirmation of the strength of the non-agriculture sectors of Saskatchewan's economy, and job growth is on a record pace in this province.

These are all indicators not of a government that is not accountable, not of a government that doesn't have control of expenditures, but of a government that is making the right moves to grow the economy in this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Melenchuk: — So when we look at the release of the Provincial Auditor's fall 2002 report which was just tabled today, all of this is reflected in that report. And what does it say? What does the Provincial Auditor say in his report? At March 31, 2001, the government finances continue to compare favourably with most other provinces. Saskatchewan's accumulated deficit to GDP ratio is 11 percentage points lower than in 1991 and 23 percentage points lower than in 1993.

And what does that mean? Now there's a gap there. There's a gap there. This government formed office in 1991 and the ratio of deficit to GDP was 11 percentage points lower than in 1991 and 23 percentage points lower than in 1993. Now what does that mean, Mr. Deputy Speaker?

What that means is that there has been improvement in the government financial position in terms of debt reduction, but also growth in the economy. So today we have a GDP which is all of the activities, economic activities within the province of over \$33 billion. And we have a tax supported debt ratio that is now one of the lowest we've seen in some 20 years, Mr. Deputy Speaker. And all that means is that we have an excellent credit rating. We have debt reductions.

And I hear the members opposite say debt went up. Well the reality of the day, Mr. Deputy Speaker, is that debt has gone

down and no matter how they posture or yell from their chairs, Mr. Deputy Speaker, the debt has gone down.

And I'll explain to you why the debt has gone down since 1991. The previous administration ran deficits every single year on the GRF side while they were in power — every year. They ran up an accumulated deficit in . . . which is tax supported debt, every single year that they were in power, Mr. Deputy Speaker. And while they were doing that, on the side, the Crown side — which they weren't even reporting on because they didn't provide summary financial statements, Mr. Deputy Speaker — they were equity stripping the Crowns. They ran them down to nothing.

And when this government, when this government took office in 1991, and in 1992 when we went to summary financial statements, guess what we had to do? We had to recognize that equity stripping in those Crown corporations and we had to bring their debt into the GRF. And that's where that massive accumulation occurred on the GRF because we had to . . . we were accountable in representing that debt fairly and absolutely correctly, Mr. Deputy Speaker.

So now, now we have a situation where we have been paying down that debt. We have been paying down their Crown debt, and we have to pay off the GRF that was owed by the Crown corporations, and every year since then we have paid off debt, Mr. Deputy Speaker.

And the other thing that people are not aware of and that the members opposite refuse to account for is that — guess what? — in 1992-93 we started expensing all the capital in education on a cash basis.

During the 1980s and the first part of 1990 they borrowed money and the capital requirements to the GRF, over 80 per cent of those numbers were covering debt. So not only did we have to provide infrastructure support for schools in the 1990s, we had to pay off the debt that they had ran up in the 1980s, Mr. Deputy Speaker — 20 years of building paid off by this administration, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Melenchuk: — So, Mr. Deputy Speaker, when we talk about the record of this administration, when we talk about honest and accountable government, this administration is light-years ahead of what that administration was in the 1980s, Mr. Deputy Speaker.

So, Mr. Deputy Speaker, when we talk about our support for an open and accountable, and we talk about the Provincial Auditor in terms of what the numbers we're providing, when we talk about how we'd like to provide as much information as possible to the public of Saskatchewan, well I can tell you that we will be providing more information in the future. I can tell you for a fact, Mr. Deputy Speaker, that we will be moving towards summary financial statements at some point in the future.

I also recognize, Mr. Deputy Speaker, that other jurisdictions have moved to summary financial statements.

And I also recognize, Mr. Deputy Speaker, that there has been

an important change, recently announced by the Public Sector Accounting Board and also by the chartered accountant institute of Canada — which provides the guidelines for our Provincial Auditor — and that indicates that there are some changes required in terms of how provincial governments across Canada look at their capital needs and how they account for those capital needs. And we will be proceeding along those lines at some point as well once we've had a chance to analyze carefully the recommendations from the Public Sector Accounting Board.

But this government is not in a habit of hiding information. In fact it will never do that. It is as open and as accountable as any administration that I've ever seen. And I have an opportunity to see this administration from the inside.

And I've been a critic like the members opposite. I was a critic at one time, Mr. Deputy Speaker, but I can tell you for a fact that every single member of this government takes their job very seriously, and providing accurate accounting is a very serious job that we all take very seriously. And we will be open, honest, and accountable to the people of Saskatchewan now and in the future. Thank you very much, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you very much, Mr. Deputy Speaker. It's my pleasure to enter into this debate. I want to thank the member for Canora-Pelly for bringing forward the original motion, Mr. Deputy Speaker. I think that he very adequately explained the need for summary financial statements, and given his experience as the Finance critic for the official opposition and his experience as Chair of the Public Accounts Committee, I think he is in an excellent position to be able to do that, Mr. Deputy Speaker.

I am somewhat disappointed in the amendment as presented by the government. And I notice here they refer constantly — more work to be done, continue to consult.

And it's very interesting, Mr. Deputy Speaker, when you look at some of the quotes from *Hansard* 1990 — and others have referred to them earlier in this debate — quotes by the member from Regina Victoria as a matter of fact. And when you look at the government here talking about needing to do more work, more consulting, those kinds of things, well it'll be really interesting to hear what the member from Regina Victoria had to say back then. And I'll quote. He says:

Well I'm sure that the taxpayers of Saskatchewan will be resting a lot easier tonight, Mr. Minister, knowing that, notwithstanding a \$4.4 billion accumulated deficit . . . that your studying the question of whether or not there should be a more complete accounting of the problem for the people . . . at home. I'm sure . . . they'll be sleeping better.

Well, Mr. Speaker, in his suitably indignant fashion, he was ridiculing the government of the day for studying the possibility of moving to summary financial statements — 12 years ago. That's exactly what their amendment is suggesting that we do now, Mr. Deputy Speaker, that we continue to study.

And I guess my question would be for the member from Regina

Victoria: do you think that after 12 years, folks will be sleeping any easier this evening as a result of his amendment?

(15:30)

It's also interesting to note, Mr. Deputy Speaker, that he was concerned about a \$4.4 billion accumulated deficit. Well, Mr. Deputy Speaker, if he is as concerned today as he was then, he should be even more emphatic about the need for summary financial statements, because comparing apples to apples, Mr. Deputy Speaker, today we're talking about a \$8.7 billion deficit.

And, Mr. Deputy Speaker, how did we get to where we are? Well first of all, as the new Premier was coming into office, there was a substantial and significant change in approach and the government decided that they were going to go on a bit of a spending spree. We know now, Mr. Deputy Speaker, that the debit itself has increased by \$719.3 million since this Premier came into office.

Just in the last mid-term financial statements alone, Mr. Deputy Speaker, the debt is up again \$523.7 million. Now this apparently is due to \$298.7 million of deposits withdrawn from crop insurance, \$99.3 million deposits withdrawn from the Fiscal Stabilization Fund, \$34 million deposits withdrawn from the Forest Fire Contingency Fund, and \$30.6 million in livestock loan guarantees.

Now, Mr. Deputy Speaker, isn't it interesting to note they would use the term, deposits withdrawn. If one was to look at the way people would normally use those terms, deposits withdrawn would mean that you are taking money from somewhere where there is an actual account; that you are somehow drawing down an actual account. But the government uses the terminology, deposits withdrawn, but the debts . . . the debt increases, Mr. Deputy Speaker. So if they are actually withdrawn, how does the debt increase, Mr. Deputy Speaker?

And I think that there are a tremendous amount of decisions that are being made that really, people are finally starting to understand, really only involve just using a Visa card to pay off a MasterCard. This isn't, this isn't the kind of accounting that the Provincial Auditor would like to see the government use when he suggests summary financial statements.

And the member from Regina Victoria, Mr. Deputy Speaker, was absolutely right in one sense. The Provincial Auditor and previous provincial auditors have been recommending for quite some time that governments need to move to summary financial statements. There are 7 of the 10 provincial governments that utilize summary financial statements. The federal government utilizes summary financial statements.

So it's not that the Provincial Auditor or the official opposition here or anyone is suggesting something new, Mr. Deputy Speaker. This is something that is becoming a matter of common practice across the entire country and yet we seem to have this NDP government resisting it at all costs, Mr. Deputy Speaker.

And I have participated in those Public Accounts meetings where government members have come up with virtually any

kind of argument — and in some cases ones verging on the ridiculous, Mr. Deputy Speaker — in order to justify not utilizing summary financial statements.

I think the most interesting one that I heard was from a member of the Public Accounts Committee who suggested that it probably wasn't a good idea for the people of Saskatchewan to really get a full picture of the province's finances because then their expectations might be too high. Now that was one of the reasons we were given for the government not wanting to move to summary financial statements.

But if I could, Mr. Speaker, just refer to the Provincial Auditor's report from 2002 for just a second. I think he does an adequate job of explaining the need for summary financial statements and the kinds of things that he expects that it might do and some of the inadequacies that it may meet at this point. The financial planning information . . . Quoting from the Provincial Auditor's report now, Mr. Deputy Speaker:

The financial planning information now published by the government focuses on an incomplete picture of its finances as set out in one government fund called the General Revenue Fund.

So there, Mr. Deputy Speaker, the Provincial Auditor is saying that we are not getting a complete picture of this province's finances and the people of Saskatchewan are not getting a complete picture of this province's finances.

The Provincial Auditor goes on to say, Mr. Deputy Speaker, that planning information focused only on the General Revenue Fund is not sufficient to understand the overall financial picture of the government and to have an informed debate on the affordability of new or existing government programs.

And, Mr. Deputy Speaker, I think that is a very poignant statement because that certainly is one area where the people of Saskatchewan have some grave concern. We have got the NDP running around the world, Mr. Deputy Speaker, spending \$80 million on cellular service in rural Australia when there are huge chunks of my home constituency, Mr. Speaker, that don't have adequate cellular service. But they're going and spending \$80 million in rural Australia on cellular service.

Now possibly had this government moved to summary financial statements and had they been able to get a look at . . . get a full picture of the entire government, just hopefully, Mr. Deputy Speaker, just hopefully someone over there just might have looked at that and said: whoa, wait a minute; why are we spending \$80 million in Australia if it looks like we're going to be short in crop insurance and it looks like we're going to be short in other programs here at home?

But no, that is not the case. Those all are separately accounted for. And there is no way to be able to get an overall view of the finances of government, and the Provincial Auditor has told us that over and over and over again. So consequently we get spending decisions on the part of the NDP like the decision to spend \$80 million in Australia. We get spending decisions on their part like the decision to spend \$88 million on Information Services Corporation — a computerized land titles system, Mr. Deputy Speaker, that doesn't work.

Now they're contemplating going out there and they're contemplating spending millions and millions and millions of dollars again, Mr. Deputy Speaker, on outsourcing IT services to a Texas based company, as a result of them just having laid a proposal on the minister's desk. They didn't make any effort to tender any part of this. They aren't going to make any effort to include any of the local homegrown IT sector.

And what EDS (Electronic Data Systems) is proposing, Mr. Deputy Speaker, they're just simply going to turn it over to them and they're going to cut the cheque. And at the end of the day, who will know? Who will know?

And I think, Mr. Speaker, it probably is interesting to note that the very same company, the very same Texas based company that the NDP are wanting to farm all of their IT services out to for potentially millions and millions of dollars, is the very same company that took a federal gun control program that was supposed to be \$2 million and two pieces of paper and turned it into a \$1 billion boondoggle.

Mr. Deputy Speaker, I think that if we could get to a point where the government adopted summary financial statements and we as legislators, the citizens of this province, and all stakeholders could get a total picture of the finance of government, we might not see some of those kinds of asinine decisions being made, Mr. Deputy Speaker.

Mr. Deputy Speaker, an area of interest for me with respect to summary financial statements and how that might affect the critic area that I'm responsible for is the Forest Fire Contingency Fund.

Now this is another fund much like the Fiscal Stabilization Fund that the government claims that they can draw from. In the case of the Fiscal Stabilization Fund, they're claiming they can draw from that to balance the books. But as we all know, Mr. Deputy Speaker, there is no money in that fund. That fund simply does not exist. Any money that's ever transferred from it is borrowed money; therefore the debt of the province increases.

Well the same is true with the Forest Fire Contingency Fund, Mr. Deputy Speaker. The Forest Fire Contingency Fund, when it was originally set up in excess of two years ago, at one point did have \$50 million. But this government forgot to pass the legislation in order to legally have that fund in place, so that original 50 million lapsed back to the General Revenue Fund.

Then the legislation was introduced the following year and there was a balance of \$40 million created in that Forest Fire Contingency Fund. However this time, Mr. Deputy Speaker, they used the smoke and mirrors trick that they did . . . they use with the Fiscal Stabilization Fund, and the Forest Fire Contingency Fund basically ends up being nothing but a number on paper, Mr. Deputy Speaker. And that has caused — that has caused — some very real concern for a lot of communities in this province; particularly this year, given the large number of forest fires and the seriousness of those forest fires.

It appears now that the fund doesn't exist and that the department is going to be way over on forest firefighting costs. And we still have an outstanding commitment from the

Premier, Mr. Deputy Speaker, to cost share the cost of fighting those fires with some of the municipalities.

Now I understand that in the last week or so, some of those municipalities have, in fact, started finally getting their invoices. They are finally getting some answers from this government in terms of what it's going to cost them. And, Mr. Speaker, I was just speaking with some SARM (Saskatchewan Association of Rural Municipalities) officials last evening and they were suggesting that, in some cases, the bill that these municipalities are receiving are two and three times in excess of their assessment. I mean, this is going to be something that's going to be very, very difficult for them to be able to pay, Mr. Deputy Speaker.

But I think even more than that, the way that this government treated those municipalities by holding off on submitting invoices to them until last week is a pretty shoddy way to treat the third level of government, Mr. Deputy Speaker. Those municipalities, their fiscal year-ends are December 31. So they are now in a position of trying to put a budget together for next year and all of a sudden, out of the blue, having to deal with these huge invoices. And certainly in some cases it's going to impact decisions around personnel and taxation at the local level.

But the point that I'm making here, Mr. Speaker, is that if the government was to go to summary financial statements and we could get a good overall view of the financial situation of the position of the province, then decisions around priorities could be made based on need, based on availability of funds. You wouldn't have the separation where spending out of the General Revenue Fund is in no way whatsoever connected to any of the other spending that goes on in the Crowns or that . . . As the member from Canora-Pelly was indicating just a little while ago, now we've even got the government moving more money off balance sheets. We've got them now moving money for capital construction in education off of the balance sheet.

(15:45)

Now there once again, Mr. Deputy Speaker, there's a complete disconnect between what goes on in the General Revenue Fund and the spending that goes on in other areas of government. Consequently, sometimes I think it creates a tremendous amount of frustration and cynicism on the part of citizens of this province that they can see exorbitant amounts of money being spent and very little rhyme or reason to the way that it's being done.

And, Mr. Deputy Speaker, I think with that I will just conclude by saying that I think it's very important that the government move to summary financial statements as quickly as possible. We know that the financial situation of the province is deteriorating very quickly. We know that the deficit has increased dramatically.

And, Mr. Speaker, we know that the overall debt of the province has increased dramatically since this government came into power in 1991. In 1991, Mr. Speaker, the total debt of the province was \$17.6 billion. By the year 2002, Mr. Speaker, the NDP has moved that all the way up to 19.8 billion.

So I think, Mr. Speaker, I would, I would suggest that the member from Regina Victoria was absolutely correct when he suggested there is an urgency to moving towards summary financial statements. Thank you, Mr. Speaker.

Hon. Mr. Cline: — Thank you very much, Mr. Speaker. I want to . . .

The Speaker: — Why is the member from Kelvington-Wadena on her feet?

Ms. Draude: — To have permission to introduce a guest.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Draude: — Mr. Speaker, and thank you to the members. I have a friend in the gallery, Mr. Doug Elhert, from Watson who is a farmer and an entrepreneur and a student now. He believes in learning for life and he believes in Saskatchewan and he's here today to look at the proceedings of the legislature. And I'd like everyone to welcome him here.

Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. I would like to join with my colleague from Kelvington-Wadena in welcoming Mr. Elhert here. I have gotten to know their family fairly well over the last couple of years. In another capacity I am a marriage commissioner and I have actually performed marriage ceremonies for two of their sons. And it's been very interesting and I have really enjoyed their company. And I would like to welcome Mr. Elhert here as well today.

Hon. Members: Hear, hear!

MOTION UNDER RULE 46

Provincial Finances (continued)

Hon. Mr. Cline: — Thank you, Mr. Speaker. The first part of the resolution as amended, Mr. Speaker, asks the Assembly to recognize and support the government's efforts to improve accountability.

And I want to talk about that, Mr. Speaker, because to listen to the opposition, you'd think there was a problem in terms of the reporting of the province's finances to the people of the province. And I'm here to say, Mr. Speaker, as the opposition well knows, nothing could be further from the truth.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And I want to say, Mr. Speaker, prior to 1991 we wouldn't have been having this debate about financial reporting because there were great delays prior to 1991 when those people were in office, Mr. Speaker, in the release of public accounts. There were no summary financial statements at all, Mr. Speaker, and there were incomplete rules about the legislative requirements for tabling of documents. There were no mid-year reports and there were no quarterly financial

reports, Mr. Speaker.

But since 1991, I want the people of the province to note, Mr. Speaker, what this government has done to improve the transparency and accountability in public finances.

The first thing that we did after attaining office was to bring in summary financial statements, Mr. Speaker. There's a lot of confusion, most of it coming from that side of the House where they say we should have summary financial statements. The member from Regina Victoria it was said had called for summary financial statements when he was in opposition.

Well guess what? Summary financial statements, Mr. Speaker, were introduced by this government in 1992. And every year we've published summary financial statements which have all the information, Mr. Speaker, all the information for the government departments, the agencies, and the Crown corporations all together in one book, Mr. Speaker. And that is called the Public Accounts. The Public Accounts.

And I want to say something else, Mr. Speaker. As the Provincial Auditor noted at the Public Accounts Committee recently, which is chaired by a member of the opposition, Saskatchewan is one of the first provinces ever to get out the public accounts each and every year before other provinces do, Mr. Speaker. And I'm going to have more to say about what the Provincial Auditor says about the summary financial statements.

So we brought in the summary financial statements so that all the information was available in one source for the people to look at. And if it wasn't available, Mr. Speaker, and we didn't have summary financial statements, we wouldn't be having this debate.

If you look at the record of what the members opposite have said, they have got up in their places and said that the Provincial Auditor has looked into the books and the summary financial statements and he has said that there's a deficit of \$483 million. Well that's absolutely true. That is what he said. How would he say it, Mr. Speaker, if there were no summary financial statements?

So in one breath they say, well the summary financial statements show there's a deficit; in the next breath they consistently say, we should have summary financial statements. It doesn't make any sense, Mr. Speaker. It doesn't make any more sense than they made when they were in government and were part of a government — some of them worked for Mr. Devine when he was the premier; some of them sat in the legislature with Mr. Devine; some of them worked in the constituencies to get Mr. Devine elected.

Mr. Devine didn't produce summary financial statements. Mr. Devine didn't produce mid-year reports. Mr. Devine didn't produce quarter reports. Sometimes Mr. Devine didn't even produce a budget. And that's what they supported, Mr. Speaker. And there could be nothing further from the record of this government than the record of the Devine administration that they supported. And it is absolutely bizarre, Mr. Speaker, that these individuals would come into this House and stand up and tell the people of the province how they have financial

accountability and transparency — something we never had when their party was in office, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — So I want to set the record straight by saying that this government introduced summary financial statements which we have each and every year released on a timely basis. But we didn't stop there, Mr. Speaker. We said, we're going to have a report every six months on the state of the province's finances, and that's called the mid-year financial statement, which was released a few weeks ago. And when that comes out, Mr. Speaker, I appear in front of the media — and the opposition is there, everyone is there — and we say this is how we're doing this year. That's the mid-year financial statement.

And, Mr. Speaker, this very year we took another step, we introduced quarterly financial statements. And now every three months, Mr. Speaker — every three months — we lay in front of the public all of the financial information about what's happening with the government departments and how the budget is doing. That's what we do.

But we didn't stop there, Mr. Speaker. We brought in legislation mandating the tabling of all government financial reports; the tabling in this legislature so that the representatives of the people can see it — something we never had under the previous administration. And, Mr. Speaker, we introduced balanced budget legislation.

And we need to be very clear about this, Mr. Speaker, because the members of the opposition get up, and they'll run out and say to the media that there's a problem with our financial statements. And what I'm going to quote, Mr. Speaker, is what the Provincial Auditor's office actually says about the quality of our financial reporting. And this quote, Mr. Speaker, is from Ed Montgomery of the Provincial Auditor's office in his remarks to the Public Accounts Committee meeting of October 24 this year — and the member for Canora-Pelly was there; the member for Melfort-Tisdale was there; and the member for Carrot River Valley, who just spoke, was there. And note these words, Mr. Speaker, this is what the Provincial Auditor's representative said. He said:

... Saskatchewan's Department of Finance works hard to ensure you receive timely financial statements and as a result, Saskatchewan's financial statements are completed earlier than most provinces ...

And then he says, and then he says this. He says:

In fact, I think they're one of the best performers on that in Canada.

That's what he says.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And the Provincial Auditor also testified at the Public Accounts Committee. And this is what the Provincial Auditor, Fred Wendel, said. He said, and I quote:

... the government does a very good job of producing the actual results. And we've said that many, many times, (and it's been in many reports, Mr. Speaker) that the Department of Finance does an excellent job of telling people what actually happened.

That is what the Provincial Auditor says, Mr. Speaker. The opposition likes to confuse the issue by saying that somehow something is hidden and kept from the people. That's what they did when they were in office. That is not the record of this government. And you don't have to listen to me, Mr. Speaker. We can take the word of the Provincial Auditor about the quality of the financial statements that are produced by this government.

And I want to say while I'm on the topic, Mr. Speaker, that we not only heard and hear the members of the opposition saying that somehow all of the finances are not reported — which is absolutely false, Mr. Speaker — we hear them saying that somehow the debt of the province is going up.

Well, Mr. Speaker, it is ... it was in the mid-year financial statement that we went into some debt this year. Why? Why? I'll tell the members opposite why — because we had one of the worst forest firefighting seasons in the history of the province.

And, Mr. Speaker, I'm not trying to be dramatic. There was a danger that people's homes would be burned down; there was a danger that the city of Prince Albert would start on fire. And we, yes, we went into some debt to put those fires out. And I say to those members opposite who sanctimoniously come into this legislature and say that we shouldn't go into any debt, what would they do? Would they let the city of Prince Albert burn down? Is that what they would do, Mr. Speaker?

And I'll tell you something else, Mr. Speaker. We had livestock producers in this province this summer who had cattle and they had no feed and they had no water, and they needed assistance, Mr. Speaker. And this government went out and provided \$34 million in loan guarantees to people with cattle and no water and no feed because they needed to be helped out.

And I say to those members opposite, and I say to the people of the province, Mr. Speaker, what would they do? Would they say to the producers of this province, you've got cattle but you've got no feed and no water and we're not going provide you with loan guarantees?

And I say, Mr. Speaker, if that's what they would say, I say shame on them. Shame on them, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And we went into debt to the tune of \$34 million in loan guarantees to support the livestock producers and I'm proud of the fact that we did that, Mr. Speaker.

And I'm proud of the job that the people from the Department of the Environment did — and we supported them monetarily — to put the forest fires out because, Mr. Speaker, they did an excellent job under very difficult circumstances. And all this opposition can do is complain about the fact money was

borrowed to put those forest fires out.

And thirdly, Mr. Speaker, we went into debt this year — yes, we went into debt this year — to pay out the largest crop insurance payment ever made to Saskatchewan farmers.

(16:00)

Mr. Speaker, I want the people of the province to know that we took in about \$500 million in premiums for crop insurance and we are going to be required to pay out \$1 billion, estimated, in crop insurance payments. And the question is, Mr. Speaker, if you have 500 million in premiums and a payout of more than \$1 billion, what are you going to do?

They say don't spend more money than you have. Don't go into debt. What do they mean? That they're not going to meet the obligations to the farmers for crop insurance? Mr. Speaker, it is absolutely ridiculous. It is ridiculous.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And I say to those members opposite and I say to the people of the province that when you have two years of devastating drought, when you have one of the worst droughts in the history of the province, and when the livestock producers need assistance because they have no feed and no water, when the forests are burning down, and when the farmers are entitled to receive the crop insurance that they contracted for, Mr. Speaker, any government that would not meet those commitments would not be fit to govern.

And any opposition that says you shouldn't have done those things is not fit to govern and they never will, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And I want to say, Mr. Speaker, I want to make it absolutely clear that what the Provincial Auditor is talking about when he talks about budgeting on a summary financial basis is not what the members opposite are talking about.

The Provincial Auditor has said that the books of the province of Saskatchewan are prepared the way they should be prepared and are among the best in Canada. That's what the Provincial Auditor says, Mr. Speaker.

But he says something else too, and this is what we should acknowledge. He says that he believes that the Government of Saskatchewan should move to a different system of budgeting and that what we should do is start to budget and plan and estimate on a summary financial basis. And, Mr. Speaker, we're looking at that very carefully.

And contrary to what the member from Canora-Pelly may have intimated in his remarks and has said at other times, the members of the Public Accounts Committee from the government side did not, at the Public Accounts Committee, say that they were opposed to summary financial budgeting. And that's what we're talking about; we're talking about summary financial budgeting, not reporting. And it's not what they said.

And, Mr. Speaker, the member from Canora-Pelly is looking quizzically about that, but I say to him, you can read the motion that the Public Accounts Committee came up with because the motion said that the Department of Finance and the Provincial Auditor should continue to work together to develop a way that we could do some summary financial budgeting in the future.

And the members say well, why would you want to do that? Why wouldn't you just do it right now? Well I'll tell the members why, Mr. Speaker. What the budget of the Government of Saskatchewan does now is to present information about revenues and expenditures of government departments. That's the document that we present to the Legislative Assembly. If you moved right now to a system of full summary financial budgeting, you would bring in all the government agencies and the Crown corporations.

Well let's think about that for a minute, Mr. Speaker. You would bring in, for example, the Crop Insurance Corporation. Now if you consider what happened this year, we can see that we took in half a billion dollars in revenue and we'll spend more than \$1 billion in payouts and we'll go into some debt to meet those payouts, which is what we should do, Mr. Speaker.

But I say to the members opposite, if they want to think about this for a minute, imagine having a budget presented to the legislature where the Minister of Finance was expected to estimate the revenue for Crop Insurance, which you might be able to make some estimate of, but also the expenditure for that given fiscal year in crop insurance. It's very difficult.

We can tell the public, Mr. Speaker, in the budget, how much the legislature will give to the Department of Learning or the Department of Health, will appropriate money to them. But it's very . . . And we can also say, by the way, how much they will spend. We can say the Department of Learning will spend \$1.1 billion and the Department of Health will spend \$2.3 billion. That's one thing. And that will be funded through tax revenues, taxation on the people.

But it's another thing, Mr. Speaker, to say that the Crop Insurance Corporation revenue will be a certain amount of money because you don't know. It depends how many farmers sign up for crop insurance and what kind of coverage they take. And it certainly is difficult to say what the expenditures of the Crop Insurance Corporation will be.

A similar point could be made, Mr. Speaker, about the Workers' Compensation Board. The Workers' Compensation Board is an agency of government. It's a statutory agency and it has a statutory fund. But it does come into the summary financial statements.

And if the members opposite really believe that you can budget for the Workers' Compensation Board and crop insurance the same way you would for the Department of Learning, well I can only say, Mr. Speaker, that they need to think about this a little more carefully. And that's what this resolution says. It says that we're going to think about it a little more carefully.

But I want to read another quote from the Provincial Auditor's office, Mr. Speaker, and this is a quote from Mr. Montgomery when he was testifying before the Public Accounts Committee.

And what he said, he did not say we should budget on a summary financial statement basis, what he said was:

... (the) modified summary budget model ... includes all three components of government — that is, the ... (General Revenue Fund), the government service organizations, and the government enterprises. This model is prepared on the same basis as the province's summary financial statements with one exception. The exception is that for government service organizations the model shows only the budgeted net income and not their complete revenues and expenditures.

And he goes on to say this, Mr. Speaker. He says:

... there is a link to the plan voted on. You can see the ... (General Revenue Fund), revenue, and operating expenses, and surplus. And it includes the planned plans for the significant components of government. For example it shows the planned net income for the regional health authorities, Saskatchewan Crop Insurance, CIC, and other government service organizations.

And then he says this, Mr. Speaker ... And you know I think it, Mr. Speaker, I think it is noteworthy that the member from Swift Current, while I'm quoting the Provincial Auditor, is saying I'm making a ridiculous argument. Well the member from Swift Current may think that what the Provincial Auditor's office says is ridiculous, but we treat it with respect over on this side of the House, Mr. Speaker, and that's why, as the Provincial Auditor noted in his report last spring, Mr. Speaker, this government has implemented 80 per cent of the recommendations made by the Provincial Auditor. And we'll keep working to implement the others, but we've implemented 80 per cent, Mr. Speaker.

And the Provincial Auditor said in his report that he had worked well with this government and we had worked with him to implement his recommendations. And if the member from Swift Current wants to say from his seat that the arguments of the Provincial Auditor's office are ridiculous, he can. But I think, Mr. Speaker, he would be well advised to listen to what the Provincial Auditor's office had to say. And I want the opposition to listen to these words.

Mr. Montgomery from the Provincial Auditor's office said this. He said:

... regardless of whether an overall plan is presented, (and they do want an overall plan) in all jurisdictions legislative assemblies (note this, Mr. Speaker) only review and vote the expenditures of their equivalent to the General Revenue Fund. So they're generally not (I underline the word not, Mr. Speaker) voting the expenditures of government enterprises or government service organizations.

So what the Provincial Auditor's office is saying, Mr. Speaker, is that in other jurisdictions which the members have referred to, they don't actually treat Crown corporations, agencies like the Crop Insurance Corporation, the same as government departments. There are differences. It's on the transcript, Mr. Speaker.

And what this motion, amended motion, very sensibly says I think is that we urge the Department of Finance officials continue to consult with the Provincial Auditor to move for ... move toward the presentation of budgets on a summary financial basis.

And it says, Mr. Speaker, we recognize that it is apparent from the presentation of the Public Accounts Committee — and I just read what the Provincial Auditor's office had to say — that there is work to be done in determining the form of summary financial statements for Saskatchewan.

And what I want to say to the public is this, Mr. Speaker. That we are saying we want to work with the Provincial Auditor to get it right — and that's what we're doing to get it right.

And bear in mind that what we have done, as I said at the beginning of my remarks, is we have introduced summary financial statements, mid-year financial statements, quarterly financial statements, The Tabling of Documents Act. Why? To improve reporting. We have, as the Provincial Auditor has said, implemented 80 per cent of the Provincial Auditor's recommendations.

And our record is very clear. We have been working with the Provincial Auditor and what this resolution says is we're going to continue to work with the Provincial Auditor. We're going to move toward summary financial planning in the correct way; not the way that the members opposite would have us do. And, Mr. Deputy Speaker, our record can reassure the people of the province that our accountability and transparency will be there, contrary to what we could expect I think from the other side.

Well, Mr. Speaker, I want to say that I'm very appreciative of the auditor's office for their work in continuing to refine the summary budget concept to address some of the issues that I've mentioned today. And I look forward to continuing progress as we develop a framework to implement this kind of presentation.

Now the members opposite think that you can implement this concept immediately. But I want to remind them, Mr. Deputy Speaker, that they need to keep in mind that our budget process operates under the parameters set out in The Balanced Budget Act and this Act is currently based upon the General Revenue Fund statements.

One of the key provisions of the Act is that a four-year plan be laid out at the beginning of a government's mandate and that the plan adhere to the same accounting system for the four years of the term. So obviously, Mr. Deputy Speaker, it would be counter to The Balanced Budget Act to introduce a wholesale change to the budgeting process before the current plan is complete, which it will be with the next budget.

We also need to answer the question about how we refine The Balanced Budget Act to reflect a change to summary budgeting.

To sum up, Mr. Speaker, and I'm very pleased to enter into this debate, this side of the House respects the recommendations of the Provincial Auditor. During our term we have worked with that office to dramatically improve Saskatchewan's financial reporting and accountability, and we're second to no one in the quality of our statements.

So I would just like to conclude, Mr. Speaker, by saying that our plan is to continue to work with the Provincial Auditor with a view to improving our planning information the same way we have improved our reporting, and I'm pleased and proud to be supporting the amended motion today. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hillson: — Thank you, Mr. Speaker. Mr. Speaker, Mr. Speaker, I was wondering how to vote on this motion until I picked up the Provincial Auditor's report today. And I read in that Provincial Auditor's report that in the last two years, since this Premier was sworn into office, in two years only, there is a \$1 billion variance, 1 billion in the . . . (inaudible) . . . 1 billion additional debt. And when I read this I said to myself, what does the Minister of Finance think he's running here, a gun registry?

(16:15)

But, Mr. Speaker, but, Mr. Speaker, we have heard, we have heard members opposite argue that their record on financial accountability has been an improvement over the Devine government. I think that is probably a fair statement but it certainly comes nowhere near answering whether the motion before this House would not be an important reform and a step forward for accountability. And I think clearly it is and I will be supporting this motion.

Mr. Speaker, one of the things the Devine government did, one of the things the Devine government did was it transferred money from the Crowns to the GRF, and the Crowns were simply accumulating debt. So money in the GRF was simply debt.

Well now what is the NDP doing? Well they're doing exactly the same thing. They are simply ramping up debt in the Crowns to try and then . . . Then the minister tells us that he's balanced the budget. So we're another \$1 billion in debt, but the minister says he's balanced the budget.

Now I have to admit I don't understand. I don't understand how you balance the budget while you go another billion in debt. More important, the Provincial Auditor doesn't understand it.

Mr. Speaker, I think the most important statement of all in the auditor's report is when he says, on 231:

. . . making transfers from one fund to another, and back again, has no effect on the Government's overall financial position.

And that is precisely what we are doing. I think in common parlance that's referred to as kiting — moving finances from one account to another and back again and then we'd say we've balanced the budget. But in the process of balancing the budget, we're further in debt.

We need to have one statement that tells us clearly, concisely, and once and for all what the total financial position of the province is. And I would argue that this is more needed in the province of Saskatchewan than in any other province, and that simply is because our Crown sector is by far the largest of any

province.

The GRF represents only 60 per cent of the financial activity of the Government of Saskatchewan. The other 40 per cent is in the Crowns. That is the highest percentage in Canada. And therefore if you want, if you want a statement that represents and reflects the correct financial position of the province, you don't get it by a General Revenue Fund statement that reflects only 60 per cent of the financial activity of the government.

Well we have now had two budgets . . . we've now had two budgets in which this Minister of Finance has said he balanced the budget and the Provincial Auditor has said, no you did not. Now we've had two budgets in which he spent a rainy day fund that the Provincial Auditor says doesn't exist.

And I'm very curious to know what's going to happen this year. Is the Minister of Finance going to now rise in his seat in March and deliver what he frankly admits is a deficit budget and say that the accomplishment of the Romanow government in getting us out of debt has been reversed by the new administration and we're now back into deficit financing? Is he going to do that? Or is he again going to produce a budget that's balanced even though we're way further in debt? Or is he, in the alternative, going to bail and leave it to his desk mate to deliver the next budget? And I think we're all very interested in seeing which it will be.

Mr. Speaker, we have here before us a sensible motion that what we need is one financial statement that tells us at a glance what is the financial position of the province. This motion was brought forward by the member for Canora-Pelly; however, indirectly it was brought forward by the Provincial Auditor. He's the one who has suggested it.

Now I know that when my friends in the NDP were in office, this was something they would have supported. And certainly when they were in opposition, they were opposed to Grant Devine trying to balance the books by accumulating debt in the Crowns to move into the General Revenue Fund. They would have said, that's a sham, that's a fraud, that's a scam. Well now that's what's happening under the NDP. So I'm sorry that they've gone back on their principles.

And I would simply say to the Saskatchewan Party, and especially to their finance critic, it is my hope that when you're government, you will follow through on the good intentions that you have . . . that you have undertaken. You have said you believe in one consolidated summary financial statement. And I hope that, I hope that, unlike the folks over there, you won't forget it the moment you take office.

Only in that way I say will we really move forward. And I would respectfully submit to members of the government that you should be ashamed in saying that your handling of the finances has not been as bad as Grant Devine, while at the same time refusing to take that next step forward, that next reform, which you know as well as we know is needed. You know the Provincial Auditor is right, and you know that you can do the right thing and institute this. It's . . .

The Speaker: — Order. I want to remind the member that he should be addressing all of his comments, whether it's with

respect to his colleagues in the opposition or members on the government side, but through the Chair, through the Chair.

The Assembly adjourned at 16:29.

Mr. Hillson: — Okay . . . (inaudible interjection) . . . Them. The ones who are looking so embarrassed right now, Mr. Speaker, that was to whom I was directing my remarks. And I apologize, I will certainly direct them through the Chair from thereon.

Well, Mr. Speaker, if we have the one summary statement then we can no longer go through the charade of, as the Provincial Auditor again told us this year, moving money from account to account and saying that that has somehow magically changed the financial situation of the province when clearly it has not. Let us finally once and for all put an end to this practice of the Finance minister moving money from account to account.

I was joking a minute ago, but I'll now be in all earnestness. Mr. Speaker, we know in our personal and private finances, it doesn't work. To accumulate debt on the Visa account to pay the chequing account or vice versa, it's all debt. And the only way we know our financial position, as individuals, is to consider it as a totality and to look at the entire picture. But to transfer . . . To acquire debt over here to show a positive balance over there, we know that that is simply to deceive ourselves, maybe an attempt to deceive the bank or somebody else, but it usually doesn't work. We're usually only deceiving ourselves. And this deception needs to end.

This billion dollar boondoggle needs to end. Mr. Speaker, we need to know exactly where we stand on our foreign investments by our Crowns.

You know, I saw the other day that Don Ching was talking about our foreign investments and our Crowns being in a positive balance. Well actually, ironically, I believe they are if you include the investments in Britain, the Chunnel project, under the old Devine government. And I think there can't be anything more humiliating to Don Ching than that the only way he can get SaskTel's investments in the black is by him and the NDP trying to take credit for the Chunnel involvement of the old Conservative government.

And ironically for a government that got so many things wrong, SaskTel's involvement in Britain was highly lucrative. And in fact it was so lucrative that the NDP thought that this global investment was a good idea. They've run around the globe since then, and they have lost money. They lost money in cable in Chicago. I understand our Australian investment is now penny stocks. And yet they still try and take credit for the SaskTel investments in Britain.

So let's have a . . . let's have financial statements that are transparent, that tell the whole story. And let's finally admit that it isn't good enough for the government to say, well they're better than the folks before them. Let us accept what the Provincial Auditor has been telling us for several years. This is correct, it should be done, and if this government won't do it, another government hopefully will.

Amendment agreed to on division.

Motion as amended agreed to on division.