

The Assembly met at 10:00.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Draude: — Thank you, Mr. Speaker. I rise today to read a petition from some of my constituents who are concerned about 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 Crop Insurance reverse the 2003 premium increases and restore affordable crop insurance premiums to our struggling farmers.

The people who have signed this petition are from Fosston and Wadena.

Mr. Gantfoer: — Mr. Speaker, I rise on behalf of citizens of Moose Jaw concerned about a lack of dialysis services in their community. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause government to take necessary action to provide the people of Moose Jaw and district with a hemodialysis unit for their community.

As you may suspect, Mr. Speaker, all the signatures on this petition this morning are from the community of Moose Jaw.

And I'm pleased to present this on their behalf.

Mr. Hillson: — Thank you, Mr. Speaker. I am pleased to present a petition, the prayer of relief of which reads as follows:

Your petitioners humbly pray that the Minister of Highways preserve the old bridges between Battleford and North Battleford on the North Saskatchewan River.

Your petitioners are all residents of Ruth Whyte Manor in North Battleford.

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to present a petition on behalf of constituents of mine that are very concerned about the condition of their highway. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action and make necessary repairs to Highway 47 South in order to avoid serious injury and property damage.

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

And, Mr. Speaker, this is signed by citizens of Estevan, Stoughton, and even Crosby, North Dakota.

I so present. Thank you.

Ms. Bakken: — Mr. Speaker, I rise today to present a petition on behalf of citizens of Saskatchewan who are concerned about the increase in premiums for Saskatchewan Crop Insurance.

And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to have Saskatchewan Crop Insurance reverse the 2003 premium increases and restore affordable crop insurance premiums to our struggling farmers.

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

And the petition is signed by residents of Weyburn, Alida, Colgate, Leroy, and Tribune.

I so present.

Mr. Brkich: — Mr. Speaker, I have a petition with farmers opposed to the Saskatchewan Crop Insurance 2003 premium increases to farmers.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to have Saskatchewan Crop Insurance reverse the 2003 premium increases and restore affordable crop insurance premiums to our struggling farmers.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens of Davidson, Craik, Imperial, and Saskatoon.

I so present

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to bring forth a petition signed by citizens of Saskatchewan that are concerned with Saskatchewan Crop Insurance. And the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to have Saskatchewan Crop Insurance reverse the 2003 premium increases and to restore affordable crop insurance premiums to our struggling farmers.

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

The signatures on this petition, Mr. Speaker, are from Spiritwood and Leask.

I so present.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and are hereby read and received as addendums to previously tabled petitions being sessional papers no. 18, 27, 35, 36, 40, and no. 100.

NOTICES OF MOTIONS AND QUESTIONS

Ms. Eagles: — Thank you, Mr. Speaker. I give notice that I shall on day no. 36 ask the government the following question:

To the minister responsible for Culture, Youth and Recreation: for the fiscal year 2002-2003 what was the total amount of funding received from the Community Initiatives Fund by the Saskatchewan Science Centre and Wanuskewin Heritage Park; and for the fiscal year 2002-2003 what was the total amount of funding received from the General Revenue Fund by the Saskatchewan Science Centre and the Wanuskewin Heritage Park?

And, Mr. Speaker, I ask that same set of questions for the fiscal year 2001-2002. Thank you.

Mr. Hart: — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 36 ask the government the following question:

To the Minister of Highways: during fiscal year 2002-2003 how much revenue did the province collect from its trucking partnership program?

Mr. Speaker, I have similar questions for the fiscal year '01-02 and 2000 and 2001.

Mr. Hillson: — Thank you, Mr. Speaker. I give notice that I shall on day no. 36 ask the government the following question:

To the Minister of Labour: for the year 2002 (1) the total size of the labour force; (2) the Aboriginal people in the labour force; (3) non-Aboriginal members of the labour force; (4) the Aboriginal unemployment rate; (5) the non-Aboriginal unemployment rate; (6) average income of Aboriginal working persons; (7) average income of non-Aboriginal working persons?

I so present.

Ms. Bakken: — Thank you, Mr. Speaker. I give notice that I shall on day no. 36 ask the government the following questions:

To the minister of Liquor and Gaming: (1) who owns the copyright to the software developed for SLGA's mega bingo and where is this software located currently; (2) does SLGA have any contract with David Innes Gaming Consultancy; if so, what specific services are being provided to SLGA through these contracts and at what cost; (3) prior to the implementation of mega bingo, did Saskatchewan Liquor and Gaming explore using the satellite system used in Alberta to link bingos and did SLGA do a cost comparison between the system used in Alberta and the system put in place for mega bingo prior to mega bingo's implementation; what was the cost comparison between the two systems?

I so present.

INTRODUCTION OF GUESTS

Hon. Mr. Melenchuk: — Mr. Speaker, to you and to all

members of the Assembly, I'd like to introduce two prominent and well known municipal leaders in the province of Saskatchewan. We have Mike Badham from SUMA (Saskatchewan Urban Municipalities Association) and Neal Hardy from SARM (Saskatchewan Association of Rural Municipalities) in your gallery.

They were present this morning at the announcement we made with regard to the Education Financing Commission and the appointment of the commissioner, Ray Boughen, from Moose Jaw. And I would ask all members to welcome them to the Assembly today.

Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. I want to join with the Finance minister, Mr. Speaker, in welcoming Neal Hardy, president of SARM, and Mike Badham, president of SUMA.

Mr. Speaker, between these two gentlemen they represent everyone in the province. So I would ask you to welcome them here today.

Hon. Members: Hear, hear!

Hon. Mr. Wartman: — Thank you, Mr. Speaker. On behalf of the Minister of Learning and myself, it is my pleasure to introduce to you and through you to the rest of this House, the 162 safety patrollers who are here with us today and their 27 chaperones. They are also accompanied by Maureen Murray from the CAA (Canadian Automobile Association), who is sitting in your gallery, and Louise Houldsworth, who has been working with this group for years.

And, Mr. Speaker, as I have done in the past, I would ask the indulgence of the House as I introduce these safety patrollers by their community and to their members who represent them here.

And so to begin with, I would like to introduce from Unity. . . And all those students who are from Unity, if you could just stand for a moment and we'll have members see who you are. And the minister for . . . or the member for Battleford-Cut Knife is unfortunately not able to wave to you today so . . . Well, welcome.

There are also students here from Carrot River — Hudson Bay and Nipawin — and that is the Carrot River Valley constituency, and due to a very tragic death are not, unfortunately, are not represented by a member.

From Cypress Hills, from the Maple Creek patrol — if you would raise your hands and your member is seated down in the opposition corner. Thank you. Just a little wave.

And from Estevan — member opposite, if you would wave to your members of the safety patrol from Estevan, all the Estevan members up here. Okay.

Members of the safety patrol from Kindersley — if you would stand and wave to your member from Kindersley.

And Strasbourg, Last Mountain — the member from Last

Mountain-Touchwood, if you would wave to your safety patrollers.

Lloydminster — the member from Lloydminster for students from Maidstone and Turtleford, if you would wave to your safety patrollers, please. Some behind you as well.

And from North Battleford there are I believe nine safety patrollers. The member from North Battleford, if you would stand and wave to your members please.

Rosetown-Biggar, unfortunately is not able to wave at his safety patrollers, but they are here as well. Welcome.

From Martensville and Warman we have safety patrollers and we welcome you to this House as well.

From Thunder Creek — from Gravelbourg and Rouleau — if the member from Thunder Creek would welcome his safety patrollers.

From Watrous constituency — Lanigan, Nokomis, and Watrous — if you would wave to your member. There we go, some up behind as well.

And Weyburn-Big Muddy, from the community of Weyburn, safety patrollers — there we go, member over there, and some behind as well.

Moose Jaw — we have two MLAs (Member of the Legislative Assembly) from Moose Jaw, if you would wave to the safety patrollers from Moose Jaw. Thank you.

And Prince Albert — Hon. Speaker and member from Prince Albert Northcote, if you would wave to the members from Prince Albert.

And would the MLAs from Regina please join me in standing and wave to all the safety patrollers from Regina. And from Saskatoon, would all the members from Saskatoon please stand and wave to your safety patrollers.

And thank you all. We welcome you to this Assembly. We hope that you enjoy your experience here. And we thank you for the good work you do as safety patrollers in this province. Thank you very much.

Hon. Members: Hear, hear!

Ms. Draude: — Thank you, Mr. Speaker. To you and through you to all members in the House, I would like to join with the minister in recognizing the group of very important people in our galleries today, the school safety patrollers. I won't ask them to stand individually again, but I want you to know that every one of us are pleased to see you here today and I hope you learn a lot from today's proceedings. And welcome to the Assembly.

Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Mr. Speaker, it's with great pleasure that I introduce to you in your gallery and to all the members of the House, Ms. Linda Wedman, who will be the keynote

speaker for the 2003 Arts Congress being held this weekend here in Regina. If you could stand, Ms. Wedman? There.

Ms. Wedman is the director of the Works Festival in Edmonton, North America's largest visual arts festival, the longest-running arts festival, partnered with the Edmonton Downtown Business Association as part of their revitalization process. And take note, it helped change the downtown. She's brought her expertise and experience, will be talking about the arts and community development.

Accompanying her is Ms. Lori Green — if Lori could stand as well — president of the Saskatchewan Arts Alliance, also the executive director of Saskatchewan Society for Education through Art. And right now as we speak, in the basement of the legislature there's a show in the Cumberland Gallery featuring 60 pieces of artwork by Saskatchewan students.

The 2003 Arts Congress organized by the Saskatchewan Arts Alliance brings together Saskatchewan's diverse art community to discuss issues of joint concern. This year the theme is about community value of the arts. And with Ms. Wedman and Ms. Green is Jack Walton, a long-time person involved in the arts, and Wendy Campbell, from Culture, Youth and Recreation.

So please join me in welcoming them today. Thanks.

Hon. Members: Hear, hear!

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I would like to join the minister in welcoming the guests she just mentioned — Linda Wedman, Lori Green, Jack Walton, and Wendy Campbell — to the Assembly this morning.

I hope you enjoy the proceedings today and I hope you have a very enjoyable weekend. Thank you.

Hon. Members: Hear, hear!

(10:15)

Hon. Ms. Junor: — Thank you, Mr. Speaker. I'm delighted to introduce to you and through you to all the members of the Assembly, the Saskatchewan delegation for the Interchange on Canadian Studies, in your gallery.

Every year the Interchange on Canadian Studies provides grade 11 students from across the country with the opportunity to travel and meet with each other. This year it's New Brunswick's turn to host the conference and these 10 students and their chaperones will soon be in Moncton visiting with their fellow students from across the country.

I'd like to briefly introduce the 10 students who are participating in the interchange: Blake Dornstauder from Lloydminster — just wave, stand — Heather Elliott from Candle Lake, Kyle Hamilton from Lucky Lake, Andrew Johnston from Maryfield, Maria McWilliams from Moose Jaw, Denae Nakonechny from Foxford, Danielle Schweitzer from Neudorf, Amy Smith from Abbey, Alan Williams from Regina, Lindsay Zehner from Humboldt, and Glenda Gosselin-Fowlow and Gary Gabel, their chaperones.

Hon. Members: Hear, hear!

Hon. Ms. Junor: — I don't think anyone would disagree that we live in interesting and uncertain times. Our leaders face new challenges and respond to new opportunities all the time. By participating in this interchange these talented Saskatchewan youth will gain valuable skills, skills that will help them identify and respond to the challenges and opportunities that face us today and into our future.

I will meet with them after question period, and I ask all members of the Assembly to again welcome them to the Assembly today.

Hon. Members: Hear, hear!

Ms. Draude: — Thank you, Mr. Speaker. I'd like to join again with the minister to welcome people that are in the galleries today. There are education students, people that are looking to expand their horizons on Canadian studies. I understand you're on your way to Moncton and I'm sure that you'd be great ambassadors for our province. Have a great time.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

School Safety Patrol Week

Ms. Draude: — Thank you, Mr. Speaker. This week in Saskatchewan we recognize the efforts of a group of very dedicated and responsible elementary school students. These young people act in the interests of the safety of their fellow students come rain or shine, sleet or snow. Numbering in the area of some 6,000 across the province, Mr. Speaker, these students are school safety patrollers.

April 28 to May 3 was School Safety Patrol Week in Saskatchewan, and I'd like to take this opportunity to thank all of these students for their contributions to the safety of their peers and their community. The school safety patrol program not only teaches students about the safety and rules of the road, it also instills in these young people a sense of duty, purpose, and pride.

For over 50 years these young people have helped their fellow students and at the same time have been helped themselves by police, teachers, and parents who work with them. We appreciate the work and the dedication of these people as well.

Hats off to all school safety patrollers for their continued perseverance and enthusiasm. I'd like to take this opportunity to welcome the 162 school safety patrollers who are in Regina this week for the annual provincial safety patrol jamboree.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Regina YWCA Honours Women of Distinction

Ms. Hamilton: — Thank you, Mr. Speaker. Mr. Speaker, the Regina YWCA has been honouring the talents, achievements,

and creativity of the women of southern Saskatchewan since 1981 through their Women of Distinction Awards.

These awards celebrate how women make a difference in our society and recognize those women whose qualities, achievements, and commitment are deserving of our admiration and our respect.

Mr. Speaker, this year's recipients of the Regina YWCA Women of Distinction Awards are: for the Arts, Tracy Houser; for Business and Trades, Detective Corporal Angela MacDougall; the award for Community Leadership and Enhancement went to Anita Medl; the recipient of the Cultural Heritage Award is Maxine McKenzie-Cox.

Mr. Speaker, for Education the recipient is Marjorie Sinclair Butterworth, who, I might add, Mr. Speaker, celebrated her 100th birthday recently.

The Health and Wellness Award went to Sharon Huber; Donna Lindskog is the recipient of the Science, Technology and Environment Award; the award for Sports, Recreation and Active Living went to Lisa King; and Ashley Kasbrick is deemed to be this year's Young Woman of Distinction.

Mr. Speaker, those are the winners in each category, but every woman nominated was nominated because she has displayed a sustained and significant commitment to society, whether that commitment be local, national, or beyond.

I ask the members of this Assembly to join me in thanking all these women for their efforts and in congratulating this year's Regina YWCA Women of Distinction.

Some Hon. Members: Hear, hear!

Women of Today Awards and Luncheon

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, on Wednesday, April 30 I had the pleasure of attending the Women of Today Awards and luncheon in Estevan, attended by over 300 people.

These awards are co-sponsored by Quota International of Estevan and SaskPower. Funds raised through this luncheon will be used to support the violence intervention program and also the placement of free field FM (frequency modulation) hearing systems in Estevan schools. These systems amplify the teachers' voices to allow students to hear more clearly and consistently.

Mr. Speaker, there was a total of 15 nominees in three categories. Winning the Ida Peterson Memorial Award for Outstanding Entrepreneur was Stoughton veterinarian, Anne Kernaleguen. The SaskPower award for Outstanding Contribution to the Workplace went to Karen Beriault, office manager of CJ 1280 and SUN 102.3 radio station. And the Shirley Orsted Memorial Award for Young Woman of Today went to Danielle Haselhan, a grade 12 honours student from the Lampman High School.

Mr. Speaker, I ask all members to join me in congratulating not only the winners but all of the nominees. Thank you.

Some Hon. Members: Hear, hear!

Saskatoon's Women of Distinction Awards

Ms. Atkinson: — Last night at exactly the same time women of distinction in Regina were being celebrated, seven of my government colleagues and I joined in the celebration of our women of distinction sponsored by the Saskatoon YWCA (Young Women's Christian Association). It was a good night for women in Saskatchewan.

In Saskatoon, 43 women leaders in 11 categories were nominated, and of course each is a winner. These are women who, as the program notes, use their intelligence, their courage, and their insight to accomplish life-changing events. In both cities the proceeds of the evening help provide for the women's shelters sponsored by the YWCA.

Mr. Speaker, the 11 Saskatoon winners were: in the Arts, Marion Mills; for Community Development and Social Activism, Cheryl Dupuis; Belma Podrug in Culture and Heritage; Phyllis Fowler for Education; Entrepreneur Woman of Distinction was Arati Chattopadhyay; Flo Lavallie in the Health, Well-being, and Spirituality category; for Lifetime Achievement, Lois Morrison; Dr. Lillian Dyck in Science, Technology, and the Environment; Shelley Ballard-McKinlay for Sports and Fitness; Marilyn Poitras as Woman in the Professions; and, Mr. Speaker, Ellen Quigley is the, quote, "Young Woman to Watch."

And, Mr. Speaker, I would suggest that someday this young woman may very well be the first woman premier in Saskatchewan.

I know all members will join me in congratulating these outstanding women of distinction.

Some Hon. Members: Hear, hear!

A Taste of the Vanscoy Rural Municipality Fundraiser

Mr. Weekes: — Thank you, Mr. Speaker. I recently had the pleasure of attending the fourth annual A Taste of the RM (rural municipality) fundraiser gala. The fundraiser, an event put on by the Vanscoy and District Agricultural Society, showcases the many food products that is produced in the Vanscoy district.

The menu includes, for starters, wild boar timberline sausage, lamb meatballs, wild boar salami, broccoli and cheddar, vegetable barley, potato salad, lamb with Moroccan orange sauce, barbecue lamb kabobs, sweet and sour emu balls, spicy Greek emu kabob, tasty bison meat loaf, and roast elk au jus. The dessert was saskatoon berry pie with whole wheat crust and ice cream.

Mr. Speaker, the producers that supply these tasty treats were Delsa Food Producers, Riverbend Plantation, Saskatchewan Sheep Development Board, Buffalo Springs Ranch, and Avondale Elk and Bison Farm.

The Vanscoy Ag Society not only were putting on this very wonderful event, also puts on the perennial exchange in May; May 23 to 25, the Vanscoy district rodeo; August 16, the

Vanscoy district fair, and in November, volunteer appreciation night and turkey bingo. The society also sponsors school tours, provides student bursaries, and hosts many other worthwhile community activities.

Mr. Speaker, please join me in congratulating the Vanscoy and District Agricultural Society on a wonderful event.

Some Hon. Members: Hear, hear!

Student Art Showcased

Ms. Jones: — Thank you, Mr. Speaker. Mr. Speaker, because May is Art Education Month, an arts education celebration display showcasing more than 60 pieces of artwork from Saskatchewan students is being held in the Cumberland Gallery downstairs here in the Legislative Building.

The exhibit is sponsored by Saskatchewan Learning in partnership with the Saskatchewan Society for Education Through Art.

Mr. Speaker, arts education provides students with opportunities to express their ideas through visual art, dance, drama, and music. Research shows that students who study the arts tend to have higher grades, self-esteem, good attendance records, and are more active in community affairs and leadership than those who do not.

Mr. Speaker, this art exhibit reflects the excellent work being done by the provincial arts education curriculum, and it especially reflects the creativity and artistic vision of the students themselves. I may be biased on that point since 8 of the 60 contributors are from St. Joseph High School in my riding of Saskatoon Meewasin, but I don't think I'm biased, Mr. Speaker.

The arts community is a vibrant and essential part of Saskatchewan's culture, economy, and way of life. I suggest that all the members of this Assembly take the opportunity to view the exhibit in the Cumberland Gallery and ask that they join me in commending the Saskatchewan Society for Education Through Art, and particularly these fine students for their dedication to cultural activities.

Some Hon. Members: Hear, hear!

Farm Family Celebrates 100th Anniversary

Mr. Brkich: — Thank you, Mr. Speaker. I'm honoured today to speak to the Assembly about a farm family from the Hanley area that has just recently celebrated its 100th anniversary on the farm.

The Bohrson family is very proud to have farmed through four generations, beginning with Thomas and Guni Bohrson who had emigrated from Norway, purchased the land in 1902. Indeed they bought their quarter section located southwest of Hanley, sight unseen, and paid \$7 per acre for it.

The Bohrsons had seven children, including their fourth, Edward, who married Esther in 1916 and purchased a home quarter from his mother in 1928 after Thomas had passed away in 1915. Edward farmed this land until his son, Bob, and wife,

Leona, began farming it in later years. Now Bob's son, Don, and his wife, Kim, are presently farming the same piece of land as part of their farming operation.

Indeed the succession of family members looks poised to continue as Don Bohrson's son, Nathan, along with his wife, Tracy, and grandson, Zachary, are farming along with them right now.

It is a very remarkable achievement to have farmed in Saskatchewan continuously over the last 100 years. There have been so many hardships on the farm, which this family has clearly overcome and indeed has succeeded very well. This family remains a part of our proud Saskatchewan tradition of pioneering the prairies and succeeding in the past century and into this new century.

I would ask the members of the Assembly join me in congratulating the Bohrson family and their historic achievement.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Saskatchewan Forest Centre

Mr. Wiberg: — Thank you, Mr. Speaker. Well, Mr. Speaker, here we go again. Another week and once again the NDP (New Democratic Party) minister who covered up the truth about the SPUDCO (Saskatchewan Potato Utility Development Company) deal has been caught in another cover-up.

This morning, Mr. Speaker, *The StarPhoenix* is reporting on a feasibility study prepared for the NDP government last year that advised against proceeding with a new forestry centre building in Prince Albert at this time.

That's pretty interesting, because on January 28 the Saskatchewan Party submitted a freedom of information request asking for all feasibility studies conducted for the government on this project. The NDP never gave us this feasibility study. They never even acknowledged its existence, Mr. Speaker.

Why did the NDP violate its own freedom of information Act by covering up this report?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well you know, Mr. Speaker, I don't think the opposition knows the difference between a feasibility study and a consultant's report. But I want to say to the members of the opposition that the problem with their position on every question that comes before this House is they're opposed, they say, to any investment outside Saskatchewan. And guess what? They're opposed to any investment inside Saskatchewan as well, Mr. Speaker.

But as the member noted in his question, Mr. Speaker, the consultant's report said that we should not proceed with the building at this time until certain steps were taken and certain things were done. Those steps were taken; those things were done, Mr. Speaker.

The consultant's report said, Mr. Speaker, that what we should do is buy the land, announce the building but not build the building, put up a sign as a PR (public relations) exercise — an attractive sign it said, to say we're building the building. And if we had done that, it would have been a disingenuous PR exercise which the opposition would have rightly complained about.

But I put this question to that member who represents a northern riding. Is he opposed to the 8,000 new jobs and \$1 billion in new investment in forestry, Mr. Speaker? I'd like to know his position on that.

Some Hon. Members: Hear, hear!

(10:30)

Mr. Wiberg: — Mr. Speaker, the NDP has been caught in a cover-up. The Saskatchewan Party submitted a freedom of information request asking the government to provide any and all feasibility studies conducted by or for the government regarding the Saskatchewan Forest Centre announced on July 24, 2002.

Today's *StarPhoenix* story quotes from a feasibility study written by Focal Spectrum Concepts of Regina last year. The government never gave us this study. They never even acknowledged its existence. Mr. Speaker, this appears to be a blatant violation of the freedom of information Act. Mr. Speaker, why was the NDP covering up this report?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, I want this House to know that the consultant's report was commissioned for one purpose and that was to get the consultant to obtain sources of federal funding. The consultant was not successful in that regard, Mr. Speaker, and the report said that the federal government would not contribute toward the forest centre.

Subsequently, Mr. Speaker, an arrangement was made with the federal government — and one of the proponents of the forestry centre was the Hon. Ralph Goodale who supported its development — that the federal government would agree to put \$1 million extra into VIDO (Vaccine and Infectious Disease Organization) institute in Saskatoon; the province would redirect \$1 million toward the forestry centre. That arrangement was made, the project was downsized, private sector tenants were arranged, those conditions were met, and that centre is proceeding.

But the positive story here, Mr. Speaker . . . Well the forestry centre itself is positive. But I want to say to this House, Mr. Speaker, that in the last five years there has been \$1 billion in new investment in forestry in this province because of the strategy of this government, and 8,000 direct and indirect new jobs, Mr. Speaker. This is a good news story and only the doomers and gloomers over there would oppose it, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wiberg: — Mr. Speaker, one source is describing the 75,000 square foot building as, and I quote, "a legacy building

for Eldon Lautermilch and Don Cody.” Mr. Speaker, I don’t know why that minister needs another legacy building. You’d think seven potato storage bins would be big enough to hold his ego.

Mr. Speaker, that minister’s real legacy is going to be covering up the truth. He lost \$5 million on Channel Lake and covered it up. He lost \$28 million on SPUDCO and covered it up. Now he gets a report that tells him not to proceed with a new office building in Prince Albert and he covers it up.

Mr. Speaker, the Saskatchewan Party asked for this report in a freedom of information request in January. Why was it covered up?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, there’s only one group of men and women in this province who would complain about the growth and development of the forestry industry, who would complain about a \$1 billion new investment, 8,000 new jobs — and that group of individuals is sitting right over there, Mr. Speaker.

And I want to say to that member, Mr. Speaker — who represents a riding that is in the forest belt, on the forest fringe, Mr. Speaker, where 8,000 new jobs have come about in the last five years — that he should get on board with the 8,000 people working in forestry in this province, Mr. Speaker. He should get on board with the fact that we’re building the world’s largest oriented strand board plant in the world in this province, Mr. Speaker. He should get on board with something positive for a change instead of just doing what they do endlessly, Mr. Speaker, which is complain about any positive development in this province.

Some Hon. Members: Hear, hear!

Mr. Wiberg: — Mr. Speaker, my question is for the Premier . . .

The Speaker: — Hold it. Order.

Mr. Wiberg: — Mr. Speaker, my question is for the Premier. Was this report shown to the cabinet prior to the cabinet making the decision to spend \$12 million on a new office building in Prince Albert?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, this government has a plan and this government has a vision for the development of this province. That plan includes the city of Saskatoon having a research park for agricultural biotechnology — and we’re a world leader there, Mr. Speaker; that plan includes the city of Regina being a centre of excellence for research into oil and gas; and that plan includes the city of Prince Albert having a world-class forestry centre to build the forest sector in Saskatchewan, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And this government is moving forward

with those plans in tax reform, in the oil and gas packages and the mining package and the forestry package. And the only people that are unhappy about the 12,000 new jobs in this province, Mr. Speaker, in the last year, and 8,000 new jobs in forestry, are sitting right there, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wiberg: — Mr. Speaker, this is an important question. If the cabinet was shown the report, then it appears they ignored their own due diligence. If the cabinet wasn’t shown the report, as we’re led to believe by the minister, then we have this same minister withholding information from the cabinet just like he did with SPUDCO.

So again to the Premier, will the Premier tell us which one is it? Did the cabinet ignore the report or, Mr. Premier, did the minister hide this report from the cabinet?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, what I’d like to know from that Saskatchewan Party and that member over there is, do they support the construction of a forestry centre in the city of Prince Albert or do they not, Mr. Speaker?

For the record this government is clear, Mr. Speaker. We do not support what the consultant’s report said when it said that the government could announce it plans to construct the building, buy the land, then erect highly attractive and visible signage announcing the future home.

No, Mr. Speaker, we’re not engaged in a phony PR exercise here; we’re engaged in building. We’re going to build the forestry centre and we’re going to work with Saskatchewan people to build the economy of this province no matter how much the Saskatchewan Party might complain about this, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wiberg: — Mr. Speaker, this government is spending 12 million taxpayers’ dollars on a new office building in Prince Albert . . .

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

Mr. Wiberg: — Mr. Speaker, once again I’ll repeat, this government is spending \$12 million on an office building in Prince Albert, taxpayers’ dollars. The original announcement by Ralph Goodale, the Minister of Natural Resources, stated very specifically they wanted to spend millions of dollars on a state-of-the-art research and development centre in the city of Prince Albert.

This does not lead us to that conclusion. They have a feasibility study that questions the need for this building at this time. It says the functionality, purpose, and rationale of this building is not clear. It says there is no direct federal funding and no meaningful involvement of the Aboriginal community. It says there’s already plenty of office space in downtown Prince Albert.

Mr. Speaker, did the cabinet have this information when it decided to proceed with the project or did the minister withhold this information just like he did with the SPUDCO deal?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well I guess, Mr. Speaker, from that question we know the position of the Saskatchewan Party. The member says he would not spend taxpayers' dollars to build a forestry centre in Prince Albert. And we join issue with the members opposite. We support the development of the forestry centre in Prince Albert. The member says he thinks there should be a research and technology centre in the city of Prince Albert in forestry. Well guess what? That's what it is, Mr. Speaker.

I've been there. I've been there. And when I was there, Mr. Speaker, about six weeks ago, I talked to representatives of the federal government, I talked to representatives of the private sector, and I talked to representatives of the province. And what did they say? They said they were working together positively, collaborating on the technology so that they could build the forestry centre. That's what they're doing, Mr. Speaker. The member says that's what he wants. That's what we're doing, Mr. Speaker. And we're going to keep building the forestry industry in this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wiberg: — Mr. Speaker, the NDP is saying they have secured \$1 million in funding from the Western Economic Diversification Fund. But the regional director of Western Diversification says that's not true, Mr. Speaker. He says they're interested in funding research. They are not interested in funding a general-purpose office building. So the government says they have a partner but they don't really have a partner. Now doesn't that sound familiar, Mr. Speaker?

Why is the NDP saying Western Diversification is putting \$1 million into this project when it is not true?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Well, Mr. Speaker, I'll inform this House that originally there was an arrangement between the federal government and the provincial government whereby each would put \$1.5 million into the development of VIDO in Saskatoon. And the member is correct. WED (Western Economic Diversification Canada) did not want to put money into the construction of the building.

However an arrangement was made between the federal government and the provincial government whereby the federal government would put \$2.5 million into VIDO, the province's contribution would go from 1.5 million to half a million, which it did, and that \$1 million would be directed to the forestry centre in Prince Albert. That was the arrangement that was made.

And one of the proponents of this project — and we're grateful for it — was the Hon. Ralph Goodale who helped us get past that log-jam. Because, Mr. Speaker, at least the Hon. Ralph Goodale and some federal government officials joined with the Government of Saskatchewan to say, we want a centre of

excellence for forestry in Prince Albert. We're building it, Mr. Speaker. And the simple fact of the matter is that anything positive that goes on in this province is opposed by the opposition, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wiberg: — Mr. Speaker, the NDP got a feasibility study telling them not to proceed with this project. They ignored it. The Saskatchewan Party asked for this study. The NDP covered it up. The minister may have hid this report from the cabinet, and the NDP is saying they have a partner, which the minister has admitted they don't.

Mr. Speaker, we've seen this movie before and it doesn't have a happy ending. Why did the former minister not give all the facts to the cabinet, and why was this decision made on incomplete information?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, I have said already, I will say again for the benefit of that member, the consultant's report, which was not a feasibility study, did not say, do not build the forestry centre. It said, we do not have federal government support at this time; do not build it at this time. We subsequently got federal government support in the way I've described. We did what we were going to do, Mr. Speaker, and what the report said we should do.

We have done nothing inconsistent with that report, Mr. Speaker, except we thought it was just disingenuous to say we're building something, put up a sign, but not build it. We did not want to do that, Mr. Speaker, because we want to support the development of the forestry industry in Saskatchewan, Mr. Speaker. And there are 8,000 new jobs in forestry, Mr. Speaker, just as there is an increase of 71 per cent in oil and gas drilling, Mr. Speaker, because while they're opposing, Mr. Speaker, we're building, Mr. Speaker.

Some Hon. Members: Hear, hear!

Workers' Compensation Board

Mr. McMorris: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for workers' compensation. Mr. Speaker, on page 2 of the 2001 annual report for Workers' Compensation Board it says that the WCB (Workers' Compensation Board) lost \$55.8 million. However, on page no. 4 of the WCB's 2002 annual report it says that the WCB lost a whopping \$87 million, Mr. Speaker.

Mr. Speaker, that's a \$30 million difference from the two annual reports. Will the minister explain why the 2001 WCB annual report understated its loss by \$30 million?

Some Hon. Members: Hear, hear!

(10:45)

Hon. Ms. Higgins: — Thank you, Mr. Speaker. I'm very pleased to be able to stand and address the concerns of the member, and also to straighten out a couple of his statements

that he made a number of times repeatedly in the House that are inaccurate. And obviously the member, the Labour critic for the Saskatchewan Party, has his report with him. And I would refer him to page 34, statement of operation and injury fund — that the loss, the shortfall in 2001 was \$55.821 million and the shortfall in 2002 was \$93.470 million, which adds up to \$149.291 million. Mr. Speaker, that was 30 million different than what the member used yesterday over and over again. Page 34, please.

Also I'll refer you to page 45. The member repeatedly yesterday made some statements dealing with future benefits that were also inaccurate.

Some Hon. Members: Hear, hear!

Mr. McMorris: — Thank you, Mr. Speaker. I would refer the minister, if she wants to start stating numbers from the annual reports, if she'd look in the annual report, the 2002 annual report, the difference between the 2000 statement of reserve and injury fund in millions was 137 million and if you look at the 2001 it's 50 million. That's a difference of \$87 million.

Can the minister explain the discrepancy between the 2002 report and the 2001 report because there is a \$30 million discrepancy?

Hon. Ms. Higgins: — Thank you, Mr. Speaker. I would refer the Saskatchewan Party to page 45. He repeatedly stated yesterday that there were salary increases at the WCB ranging from 4 to 6.5 per cent. Again, that was inaccurate.

And if the member had of read the paragraph previous to the numbers instead of just looking at the bolded numbers, he would have known that they were significant actuarial assumptions were employed to determine the periodic pension expense and accrued benefit obligations, Mr. Speaker. So please, I'd like to clarify that.

Also, Mr. Speaker, I'd like to refer the member to page 48 under administration expenses. Administration expenses, there is a line item that states, salaries. Now if the member opposite could do some simple math and deductions and calculations — I'm sure he has a calculator — it shows 3.1 per cent salary increases, in line with other departments.

Some Hon. Members: Hear, hear!

Mr. McMorris: — Mr. Speaker, in 2001 the WCB, whichever number she wants to use — it could be \$55.8 million or it could be the number that's shown in the 2002 annual report at \$87 million — whichever number you use, Mr. Speaker, WCB jacked up the rates for employers across this province. In 2002 they lost \$93.5 million, Mr. Speaker, and she can't argue with that loss.

And what did the WCB have to do? They had to jack up rates further and further, Mr. Speaker. But does it really matter to that . . .

The Speaker: — Order. Order, please, members. Order. I would ask the members to allow the question to be put in a manner that everybody can hear the question.

Mr. McMorris: — Thank you, Mr. Speaker. Does it really matter to the minister how high they jack the rates up? It's not her money. It's small business and large business that are suffering in this province, Mr. Speaker.

Mr. Speaker, the minister and her NDP government have sat back and watched as her hand-picked WCB chairman, Mr. John Solomon, whose only qualification to run the board was a strong NDP pedigree, Mr. Speaker, has lost \$180 million.

How much is the WCB going to increase their premiums or rates for business within this province to sustain an incompetent manager like John Solomon?

Some Hon. Members: Hear, hear!

Hon. Ms. Higgins: — Mr. Speaker, as we explained yesterday, there was a number of factors that had an effect on the outcome of the 2002 annual report.

But, Mr. Speaker, I would like to stress that WCB made some substantial improvements in administration and operational costs in 2002. And their investment portfolio, which is managed by a number of professional investment managers, has over the last three years outperformed WCBs to the east and to the west, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. McMorris: — Mr. Speaker, my question to the minister is simple here. What was the total value of compensation paid to the WCB chairman, John Solomon, in 2001 when they lost either 55.8 but more than likely \$87 million?

And what was the total compensation paid to Mr. Solomon in 2002 when the WCB lost a whopping \$93.5 million?

Some Hon. Members: Hear, hear!

Hon. Ms. Higgins: — Well thank you very much, Mr. Speaker. Mr. Speaker, when I first got in the House this morning, I spent some time looking through *Hansard* yesterday and the questions that we had had yesterday. And there was a comment from the Labour critic from the Saskatchewan Party and he said it's quite a lineup that we have in the NDP benches over here. Well, Mr. Speaker, it is quite a lineup. And this government is committed to the people of Saskatchewan.

And I would say — I would say to the member opposite — please, please, read the whole report before you stand and start asking questions or before you warm up your computer and start spitting out the corrections that you have been consistently over the last couple of weeks.

Some Hon. Members: Hear, hear!

The Speaker: — I would ask the member to make all of her remarks through the Chair.

Mr. McMorris: — Thank you, Mr. Speaker. Don't worry, Madam Minister, we've read the report, and it's \$93.5 million no matter which way you slice it. It's a huge loss for WCB and a huge amount of compensation that small business and large

business are going to have to make up because of mismanagement.

Mr. Speaker, on page 48 of the 2002 annual report, it says the cost of employee benefits went up 52 per cent last year. But, Mr. Speaker, we've talked to employees of WCB who tell us their benefits haven't changed at all.

Will the minister tell us why the cost of the employee benefits have gone up 52 per cent when employees of the WCB have seen no change in their benefits whatsoever?

Some Hon. Members: Hear, hear!

Hon. Ms. Higgins: — Well, Mr. Speaker, we did make improvements to injured workers' benefits last year under Bill 72 — so another correction there, Mr. Speaker.

Mr. Speaker, here again I urge the member, please take the weekend and read the complete report. You need to read the complete report. The changes in the 53 per cent that the member was quoting yesterday with employee benefits, the changes there are the IT (information technology) department, human resource strategy, which has replaced consulting contracts with permanent staff, and it's also a change in accounting methods for recording payments to employees for unused earned vacation time and earned sick leave credits.

Mr. Speaker, again I urge the member opposite, please read the whole report this weekend before you stand and ask questions.

Some Hon. Members: Hear, hear!

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

INTRODUCTION OF BILLS

Bill No. 23 — The Cities Amendment Act, 2003

The Speaker: — Order, members. Order, order.

Hon. Mr. Osika: — Mr. Speaker, I move that Bill No. 23, The Cities Amendment Act, 2003 be now introduced and read for the first time.

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

Bill No. 24 — The Northern Municipalities Amendment Act, 2003

Hon. Mr. Osika: — Mr. Speaker, I move that Bill No. 24, The Northern Municipalities Amendment Act, 2003 be now introduced and read for the first time.

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

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. I'm extremely pleased

to stand on behalf of the government and table a response to written question no. 154.

The Speaker: — A response to 154 has been submitted.

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 3

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hagel that **Bill No. 3 — The Child and Family Services Amendment Act, 2003** be now read a second time.

Ms. Draude: — Thank you, Mr. Speaker. It's with great delight I stand in the House today to speak to Bill No. 3, An act to amend The Child and Family Services Act.

Mr. Speaker, children are our hope for the future. There is nothing more wonderful than the birth of a child and they are the perpetuation of our species. They grow from helpless little individuals who are totally dependent upon another individual for their care to someone with very unique talents and personalities — no two are alike. And each of them will have their own unique strengths and weaknesses, and each will contribute to society in their own very distinctive way.

For many of us it's just incomprehensible to believe that anyone would harm a child, let alone a parent. We like to believe that all children are raised in a loving, caring environment. And we'd like to believe that nobody lives in poverty and that addictions do not have a major impact on family life. Mr. Speaker, we'd all like to believe that everyone knows how to control their anger and that no one is controlling.

Unfortunately this is a very imperfect world, Mr. Speaker, and we're all very aware of situations where children must . . .

The Speaker: — Order, order, please. Apologies to the member speaking. I would ask members if they have some pertinent comments to make if they would make arrangements to make them in the forum that's not interfering with the debate that's taking place in the House.

Ms. Draude: — Thank you, Mr. Speaker. Unfortunately this is a very imperfect world and we're all aware of situations where children must be removed from their family because their home environment is unsafe.

In the past, the trauma of being removed from a family home has been exacerbated with the fact that they are placed with complete strangers. Children were uprooted from what they knew and placed in foster homes, and they were taken away from the support of their extended family and their friends.

In some cases children understood why they were being removed and that it was in their best interests.

But in other cases, Mr. Speaker, and in many cases, they were

young and they didn't understand why strangers were taking them away from their mom and their dad and placing them with total strangers, often away from members of their family and friends that they had known all their life. They didn't understand that they were living in an unsafe environment and that they were being neglected or abused — that's all they had known. They just knew that this is something that was happening and they were going to be moved away from the people they considered family.

While we all know that foster parents are generally loving, generous individuals who open their home to these children who are in need — and they are to be commended for their generosity — it's a simple fact that they are strangers to children and add to the trauma that a child is suffering during this whole traumatic process.

(11:00)

Mr. Speaker, I'd like to commend the minister and his staff for finally recognizing many of the concerns that have been repeatedly voiced by individuals and organizations and other MLAs in this Assembly; the recognition that placing children with kinship relationships is in the child's very best interest, and it will go a long way towards making the transition less traumatic.

The Hon. Landon Pearson, Senate of Canada, in the Canadian Child Care Federation 2001 report is quoted as saying:

For those of us who work with young children, it is often difficult to know how to include their voices in our decision-making processes. It takes an extra active imagination to put ourselves in the shoes of four-year-olds so we can take their perspective into account. Yet if we fail to do so, our intentions may go awry.

As children grow older, it becomes easier to involve them more directly but it still takes an effort to do so respectfully. This is not to say that children always know what is in their best interest or that we should burden them with heavy choices. But they usually do know what won't work, and we should listen to them and learn what will.

I think for a long time we have not listened to children. We have not put ourselves in their shoes when making a decision that's about the placement for them. We have failed to recognize the importance of a family and culture and being raised in a familiar environment. We have believed that the state could become a substitute for a parent.

Mr. Speaker, the state has not done a good job of ensuring the children in short- or long-term care can receive the stability that is required for them to feel secure. In many instances they have been taken away from the parental home, placed in a strange foster home, and eventually placed back into the parental home. Unfortunately the stability in the family home often broke down a second or third or fourth time. And each time the child was once again taken from that home and placed into a different foster home because their previous foster homes didn't have room for them then.

While it's commendable and preferable that a child be reunited

with his or her parents as soon as they can be in a safe environment, in many instances the stability was only short term and the child was once again removed. A former youth in care in the *Children and Youth in Care Review* stated:

I am an expert on foster. No one knows foster care better than a foster child. You can't learn the feelings of showing up at somebody's house for the first time and knowing that they're going to be your parents.

That statement says it all, Mr. Speaker. Try and put yourself into the young person's shoes. Try and think what you would feel like if you had been taken from your parents and placed with strangers. It might be a feeling similar to the first time when you went on a sleepover or on a long trip from your mom and dad, or the first time you went to a summer camp. The big difference would have been no matter how much you feared the uncertainty, you'd have known in the back of your mind that in a very short time you'd be returning home or that mom and dad were only a phone call away and they could always come and get you.

Children taken from their parents and placed into foster care wouldn't have this assurance that they'd be returning home to mom and dad. Right or wrongly, in the past we have taken these children from an environment which they deem to be . . . which was deemed to be unsafe and placed in a strange environment.

I'm quite sure that given a choice, a child would request placement with their grandparents, or an aunt or an uncle, or even a close friend, rather than having to stay with a complete stranger.

With the kinship guardianship, if this situation occurred, the child would be returning to an environment that they knew. If they went back and forth between mom and dad's home and a grandparent's home it would be much the same as an extended holiday or a family visit rather than a total disruption of their life. It would be a return to something familiar rather than an uncertainty, and I'm sure that's going to be a lot more beneficial to the child, Mr. Speaker.

In my years since I was elected, Mr. Speaker, I have had phone calls from grandparents who wondered why their grandchildren can't be placed with them rather than in a foster home. There have been instances where the children have been placed . . . have to be placed in the care of a family member rather than in a foster home which would have been much preferable. Family members would want to have the child in many cases.

This legislation is a step in recognizing the voices of not only the children, but of the grandparents and the aunts and uncles and other relatives — generally the people other than parents that are the most interested in the well-being of a child.

This Bill recognizes that the practice of placing children with strangers is not in the best interest of a child. It recognizes that the best interest of the child is better met if they are placed in a kinship home, if they're placed in a place where someone actually knows them, where they know the surroundings, where they know the people, where they know their own life within that family. Being placed in a kinship arrangement also ensures that they are placed with individuals who are familiar to them,

that they are not strangers with.

This legislation also recognizes that children being removed from their family home may have special needs, and that the family they are being placed with must have access to resources to deal with these special needs. It ensures that the department will work with these families to meet the ongoing needs of the children.

Mr. Speaker, these are very lofty goals, and in offering our support to this legislation, I am hoping that the minister recognizes the responsibility and the duties that he's taking on by bringing forward this very important piece of legislation ensuring that the children's voices are always heard, that they will always have the resources that are needed for special-needs children, that the voice of the child will always be heard.

Placing a child with a kinship guardian can place stresses on the families as they deal with the adjustment of extra individuals in their homes. The availability of resources to deal with added stresses and this transition would ensure that not only the needs of the children in placement but the needs of the kinship family will be met and its home environment remains stable and supportive.

This legislation also recognizes that kinship guardians may require financial resources to cope with the extra burden of additional members within the home. Mr. Speaker, I am delighted to see this recognition. In the past, I have had grandparents on fixed incomes who have taken in their grandchildren to ensure their well-being. They've called my office very frustrated because there was no financial support other than the child tax credit to address the financial needs of these individuals. In some instances, Mr. Speaker, they've had to turn to the food bank to ensure that there was sufficient food in the home to feed these children.

Recognizing that potential kinship guardians would have a desire and willingness to open their homes to the child in need of stability but may not have the monetary option to provide for their economic well-being will ensure stability. It will give some peace and security not only to the child but to the family who is willing to take them in.

In the *Children and Youth in Care Review: Listen to their Voices*, it was stated that Saskatchewan is the only jurisdiction in Canada that does not provide children in care with a legislative right to express their views in welfare matters.

This legislation would deal with kinship issues and the availability of financial and other resources as well as for their time frame for the placement. It is a good first step in ensuring that a child's rights to personal safety and a secure home are met. The next step should ensure that, wherever possible, children should have a voice in that placement.

Mr. Speaker, this legislation recognizes the value of kinship relationship and family responsibility. It looks beyond the common and everyday needs of a child. It looks towards . . . It looks inward to their heart and their homes and their needs for being loved and being cared for. It is a positive step in ensuring that children who require placement will have their needs met.

Mr. Speaker, we believe that this is a good piece of legislation. We are having individuals discuss it with us further. And, at this time, I would like to adjourn.

Debate adjourned.

Bill No. 4

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Sonntag that **Bill No. 4 — The SaskEnergy Amendment Act, 2003** be now read a second time.

Mr. Brkich: — Thank you, Mr. Speaker. I'm pleased to have the opportunity to speak today to Bill No. 4, The SaskEnergy Amendment Act, 2003. This Act deals with the proposed expansion to Saskatchewan First Call system.

Presently a digging company would have to make a number of calls to make sure that no damage would come to existing underground gas pipelines and other buried service lines. The minister is now saying that he's attempting to streamline the system by expanding the safety services to SaskEnergy. Then it would be SaskEnergy that would operate as a one-call organization. Of course it would be SaskEnergy that would be . . . exclusively benefit from the profits of this service along with SaskTel and SaskPower.

And this is where the problem lies. I'm certainly not opposed to any safety issue, especially where safety concerns can be improved. Right now, however, there are several private companies which locate underground gas lines and other service lines. These companies could be increasingly shut out of the line location industry if they're not included in the government's legislation to move to a strictly one-call system.

The minister seems to be walking along the same path so familiar with this entire NDP government. They're not thinking about including the private companies in their one-call system. Rather they are again following their policy of expanding their Crowns while forcing private businesses possibly to go out of business.

Make no mistake about it, our provincial economy needs to better facilitate the expansion of our oil and gas industry if our province is to survive and prosper. But the message that needs to be sent to this industry, an industry which thrives on private initiative, is that the government will present only the opportunities and the proper legislation to allow these private businesses to succeed.

Streamlining this industry is vital, but not at the cost of sending the repeated message that big government will continue to get bigger. The sad part is that this NDP philosophy is preventing oil and gas expansion.

We have seen the effects of the world events on the price of commodities like oil, gasoline, and even natural gas. We've seen the rapid fluctuation in gasoline prices at the pump upon the beginning, the middle, and now hopefully the end of the conflict in Iraq. This is such a competitive industry that direct government involvement or investment is extremely risky and completely . . . sometimes unnecessary. By providing a better

tax environment to the oil and gas industry, the expansion of this industry would directly impact the provincial government revenue in extremely positive way.

Certainly this government cannot deny that oil and gas revenue is an important part of any provincial budget. If only this government could make the connection. Instead they borrow the revenue shortfalls from the Crowns.

So what will we be looking at in the future with regards to oil and gas? Well we can expect the competitive environment to continue, Mr. Speaker. If the end of the Iraq war does bring increased stability to the Middle East and its oil production capacity, then we will have to provide more incentives to the oil and gas industry to keep it in competition with world barrel pricing.

On the other hand, we need to look seriously to the possibility that real political stability in the Middle East may be some time in coming. Then it is all the more important that we secure and fully develop our own energy resources so we're not so dependent on foreign oil resources.

The United States, as we've seen these past few months, maintain what they call strategic oil reserves which essentially means they stockpile large quantities of oil and gas just in case there's a disruption in the world oil economy.

I would like to talk for a moment about the benefits to the Saskatchewan economy if we were to effectively expand the provincial oil and gas industry. Not only would government revenues be more stable, but we would finally have an area of industry which would give our young people an opportunity to earn better wages and look towards a better future right here at home. Certainly, the service industry that would revolve around the expanded oil and gas . . . (inaudible) . . . would also benefit employment numbers.

What we need to be careful of is that the NDP government does not decide to compete directly with the service industry as they seem to be doing with the line locator legislation. As official opposition deputy critic of CIC (Crown Investments Corporation of Saskatchewan) along with my colleague, the member from Swift Current, we've sat on CIC committee and reviewed many of this government's dealings with regards to Crown corporations and investments.

Over and over we see a consistent pattern of poor investment strategy, both inside and outside of Saskatchewan, as well as the cost and development of more treasury Crowns which have become largely money-losing ventures, such as the government expansion of the provincial land titles system, Information Services Corporation, which was supposed to cost taxpayers only between 20 and 30 million. It certainly would have been that much had they bought existing computer technology. But no, the NDP decided they would develop their own system and even try to sell this new system to other governments.

Well it didn't work, and now I think we're in the neighbourhood of 100 million and counting — over three times what it should have cost the taxpayers of Saskatchewan. In fact it was recently announced that the new fee schedule for land titles was again going up and that means the people of

Saskatchewan, not to mention our real estate industry, will be penalized for government mistakes and mismanagement.

During second reading of this Bill, my colleague, the member from Redberry Lake, talked about the risk of putting yet another critical service into yet another possible Crown. The issue of Crown losses and poor investment strategy is just one of the many reasons that the NDP have dropped so significantly in the polls. In fact the losses of taxpayer dollars by this government have been so routine that it seems like every day the Saskatchewan people read in the newspapers about millions of dollars lost in scandals such as mega bingo.

Amazingly, this NDP government seems content to avoid responsibility for loss of millions of taxpayers' dollars. I think they are starting to believe that if the tax . . . If the people of the province compare these losses to such federal losses as gun control of \$1 billion, then maybe people will forget about multi-million dollar losses right here at home.

What a sad commentary on our present NDP government when they start to lose respect for \$1 million loss, when the public clearly knows that we only have approximately \$6 billion budget in which to work here in Saskatchewan.

Premier Calvert needs to realize that most people still think that \$1 million is a lot of . . .

(11:15)

The Speaker: — Order, please. Order. Order. Order. I would . . . Order, please. I would just remind the member about use of members' names. But I would also ask . . . Order. I would also ask the member to make note that we are now on second reading of Bill No. 4 and that all remarks should be directed pertaining to . . . should pertain to the Bill and he shouldn't wander too far from that.

Mr. Brkich: — Mr. Speaker, I will try to stay to the Bill, but being it is an extensive Bill dealing with the Crowns, I feel that it affects SaskEnergy and a lot of the money-losing ventures.

I must remind the government that this is only a partial list of the money-losing ventures and does not include the 100 million ISC (Information Services Corporation of Saskatchewan) costs which I spoke of earlier in this address. And it is very easy to see where these millions of lost dollars could have been spent and where they have been . . . and where they would have done a lot more good to the immediate benefit of taxpayers.

Health care could have been a good start. When we look at the growing numbers of serious issues involved in the retaining of our health care system, even \$1 million . . .

The Speaker: — Now, order. Order. I've just asked the member to relate his comments directly, more directly to the Bill. The member continues to speak. I will give him one more opportunity to talk to the Bill.

Mr. Brkich: — Thank you, yes. Thank you, Mr. Speaker. I will talk a bit about the Bill when it comes to legislation on the Crowns. This is a Bill that possibly could do some good but it also could have some potential in the future, and same thing is

of the NDP always having to make a Crown, always having to run a business, Mr. Speaker. Why do they always have to compete with private business?

We've checked with some people in this Bill and we've . . . and some of the response back has been, it could be favourable but they're always worried when you're dealing with this government. And there's such — unfortunately, Mr. Speaker — such a distrust of this present government out there throughout this whole province that when a Bill like this comes forward, there is a lot of questions on it to be dealt with. A lot of issues on it.

The companies that are out there employ people, employ taxpayers, people out there that pay taxes to this province that helps keep this province going. This is one of these . . . One of the big issues in this province is people leaving, of businesses not starting up, and this could be a possible reason why again.

This government has . . . When they bring forth legislation, I hope they look at each piece and see how it will grow this province, not how it will just grow the Crowns.

When this government, this government here, when we form, on this side when we form the government over there, that's one of the things we will be looking at, how to grow the province through business, with people — not just how to grow the Crowns; not just how to grow your own corporations.

We have some questions on it, on this Bill, but I think we will move it to Committee of the Whole. There we will address some questions. I hope that the minister has listened to the speech, and he will address some of the concerns under Committee of the Whole.

With that, if nobody else wishes to rise to speak to the Bill, I will move it to the Committee of the Whole.

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

Bill No. 8

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Thomson that **Bill No. 8 — The Youth Justice Administration Act** be now read a second time.

Mr. Wiberg: — Thank you, Mr. Speaker. It's a pleasure to rise this morning to say a few words about this Bill No. 8, The Youth Justice Administration Act.

And of course, Mr. Speaker, as we're all aware in this House, there were changes made at the federal level in regards to the administration of youth justice in this country. They're passing a lot more of that onus and load onto provinces as to where it more appropriately should be, Mr. Speaker.

And it's going to provide provinces the opportunity to be able to provide continuity for justice right through from when the young offenders first start. And we're going to be able to get a better handle on who they are and being able to put in processes . . . opportunities to be able to maybe help the young people understand that there is a better way in life rather than crime.

And then we can maybe track them a little better right through into adulthood, to know that we're going to have some . . . a great deal of success, Mr. Speaker, in reducing crime in this province.

And this type of legislation by the federal government is going to help the province of Saskatchewan and all provinces in this country be able to do that. Unfortunately, Mr. Speaker, this NDP government always seems to have trouble with trying to be able to spell out to the people of the province what exactly they're going to be able to do when they bring forward legislation.

And certainly, as a quick example, Mr. Speaker, the member from Arm River was just speaking about Saskatchewan Energy, and of course there's a new Act there and there's some significant details missing. And the people that are involved with . . . in critiquing SaskEnergy are going to be able to want to speak to the minister on why these details are missing out of that Act.

The same thing applies here, Mr. Speaker. We have an Act here, Bill No. 8, The Youth Justice Administration Act, that provides us with very clear definitions and nothing more. It's just that we might as well have had a dictionary and that's all this Bill is, Mr. Speaker.

What the people of Saskatchewan are going to want to know with an Act like this are what is the province, what is the province going to do with youth justice administration? They don't want to know, you know, the definition of what a youth is. They want to know what's going to happen. Well that's not in this Bill, Mr. Speaker.

This government, this NDP government is going to leave that up to the bureaucracy which we're going to have, on this side of the House, a lot of trouble with. The people of Saskatchewan do not have access to the bureaucracy in delegation of authority when it comes to things like youth justice administration. And that's why, you know, in the past several days we've seen some significant distressing signs by this government, Mr. Speaker. And this Act is just a clear example of what I'm talking about.

Mr. Speaker, there was two very senior civil servants that had to be released from their positions in this government because they were the ones looking after the details, the government having no idea what's going on. And this Act is going to be exactly the same thing, Mr. Speaker. We're going to have an Act here to deal with youth justice administration and they're going to turn it over to the bureaucrats. Nobody's going to know what's going on.

The workers in the field, those people that are going to have to deal with youth on a day-to-day basis, are not going to have clear and defined policy that could be outlined in an Act so that they could provide clear opportunity for young people to turn their lives around, to know that they are valued, and that the people of Saskatchewan want them to be productive, active citizens in this province.

That is nowhere outlined in this Bill, Mr. Speaker. And that is a great concern to all of us that, without a clear direction, what are the youth of Saskatchewan got to look forward to?

Now we know, Mr. Speaker, that in Saskatchewan, that we are one of the . . . have one of the highest rates of crime in the entire country, one of the highest rates in the entire country, and yet we have no clear direction from this NDP government, Mr. Speaker, as to what's going to happen in order to help young people stay on the straight and narrow so they may become upstanding, honest citizens in our society.

Instead, what we have is a Bill that speaks clearly to definition and no direction. It's direction, it's direction, Mr. Speaker, that the people of Saskatchewan are asking for. And I guess we're not going to get any of that until after the next election, should the Premier ever screw up his courage. And members on this side of the House are certainly excitedly and enthusiastically, Mr. Speaker, waiting for that day.

But I think, Mr. Speaker, that because there's a great deal of work that needs to be done on this Bill, that a Bill such as this with no clear definition of where they want to go, no vision, no vision, Mr. Speaker, of outcome for youth justice, Mr. Speaker, in this province, with no clear vision of how we can bring a department with a single purpose to work with youth justice and adult justice in this province, that it's probably more appropriate at this time that more work needs to be done on looking at this Bill.

And I move that we adjourn debate.

Debate adjourned.

COMMITTEE OF FINANCE

General Revenue Fund Finance Vote 18

(Subvote FI01)

The Deputy Chair: — I recognize the minister and ask him to introduce his officials.

Hon. Mr. Melenchuk: — Thank you very much, Mr. Deputy Chair. To my immediate right is Ron Styles, the deputy minister of Finance. To my immediate left is Kirk McGregor, assistant deputy minister, taxation and intergovernmental affairs. To Ron's right is Len Rog, assistant deputy minister, revenue division.

Directly behind Len is Terry Paton, Provincial Comptroller. Directly behind me is Glen Veikle, assistant deputy minister, treasury board branch. And just behind Ron is Joanne Brockman, executive director, economic and fiscal policy.

And seated at the back we have Dennis Polowyk, assistant deputy minister, treasury and debt management division; Janine Reed, executive director, personnel policy secretariat; Bill Van Sickle, executive director, corporate services division; and Brian Smith, executive director of Public Employees Benefits Agency.

Mr. Deputy Chair, these are the officials of Finance here today to answer questions on the estimates for the Department of Finance.

Mr. Krawetz: — Thank you very much, Mr. Deputy Chair. Welcome to your officials, Mr. Minister, and I understand that we'll spend about an hour on Finance estimates this morning so I want to move into a couple of sections.

And I first want to begin by thanking you and your officials for responding to the requests both here during the debate on interim supply as well as my written requests to you. And I guess, Mr. Minister, since your officials and you were involved in budget preparation and delivered on March 28 . . . Of course that's well over a month ago and, as we know, in the world much has changed. We've had a war and it's come and gone. And there have been many things that have changed the global impact on probably Canada and Saskatchewan to a degree.

And I guess my first question, Mr. Minister — and it's more of a general question — as you look at your budget and as you look at your forecast for the province of Saskatchewan and you've seen the kind of things that have happened in the world regarding Canada's position on the Iraq war and the subsequent, you know, comments by Americans regarding trade, etc. . . . We look at the dollar and where the Canadian dollar is now moving. We look at the prices of natural products, both natural resources as well as agricultural products. We see the, I won't say collapse, but the steady decline of markets like the canola markets where the farmers are really worried about whether or not the \$6 canola is going to come back, even though last fall we had a \$10 per bushel canola.

(11:30)

So, Mr. Minister, overall as you look at your budget, are you concerned about any revenue sectors that you see in your budget and how they have . . . how the events of the world may have impacted on those budget projections?

Hon. Mr. Melenchuk: — Well thank you, Mr. Deputy Chair, and to the Finance critic opposite. I think that we are one month since we presented our budget. There have been some shifts and I would agree that there is some volatility in the economy at this point in time. Certainly there is nothing there that we have any concern with at this point in time.

Certainly we will be filing our quarterly update, which will take in the first quarter, obviously, in early July. And I think at that time we will have a better idea in terms of where the commodity prices fit in, where the projections are with regard to volumes of commodities, where the Canadian dollar sits at that point and the adjustments that might be needed to be made at that point in time. But certainly at this particular point in time, one month after our budget, we do not have any major concerns with any of our revenue projections at this time.

Mr. Krawetz: — Thank you, Mr. Minister, Mr. Deputy Chair. We've seen the rise of the Canadian dollar and we're now sitting at, I believe, above 70 cents yesterday. What impact does a rising Canadian dollar have on the overall budget? Is it a positive thing or will it be a negative thing as we may move . . . There's some economists that are predicting a 72-cent or in fact maybe a 74-cent Canadian dollar by the middle of summer. Is that going to have any effect at all or does the Canadian dollar rise or fall have any bearing on the Saskatchewan budget?

Hon. Mr. Melenchuk: — Well thank you, Mr. Deputy Chair. I think there's competing interests when we look at . . . There's some good things about a rising Canadian dollar and then there's other impacts that might have a negative consequence for the province of Saskatchewan.

Our budget estimates had the overall average for the Canadian dollar at 67.4. And to the end of March, that's exactly the average that we obtained. I think that likely, with the strength of the Canadian dollar, that we will see some improvements, for example, in the oil and gas sector because it's market driven and we're paid in Canadian dollars. So there's additional revenue streams to be looked at there.

The impact in terms of the averages, how that would apply to interest rates, how that would apply to our non-denominational debt, we will have a better idea of where that sits with our quarterly report.

So I would expect that there's some offsets here; there's also the implications of equalization that will need to be factored in. So it's a little too soon to know what that impact will be and we'll have a much better idea as we get into our first quarter report.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, could you explain to the people of Saskatchewan whether or not a rising Canadian dollar will have a negative or a positive impact on those people who are importing and those people who are exporting, okay? Obviously we're an exporting province to a great degree. What will a 70- or a 72-cent dollar, what impact will that have on imports coming into Saskatchewan or exports?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, this is a difficult question, and I know Minister Cline was asked a similar question yesterday in his estimates. And his comment was that this is, really is a double-edged sword. When we have corporations that export as well as import, you'd have to look almost at the individual sectors when we look at where that dollar figure might go to.

Certainly the impact is also driven by consumer confidence and volume. So the Canadian dollar does have an impact. I think it's too soon for us to say what that impact might be. And we'd also need again to look at for the differential impact, also the offsets that might come from equalization.

So it's kind of like it's easier to do the analysis once you have all of the figures in for a reporting time frame, such as a quarterly report, where we can look at that impact on a sector-by-sector basis and determine what the overall impact to the General Revenue Fund might be.

So I don't think we can provide an absolute answer at this point in time other than there is a differential problem here, and it is a double-edged sword, Mr. Deputy Chair.

Mr. Krawetz: — Thank you, Mr. Minister, and Mr. Deputy Chair. I understand, and I'm asking more of a philosophical question, Mr. Minister. I'm sure your officials, as you've indicated, you've said that at the end of March you were looking at an average dollar of 67.4 cents, and that's the way that you prepared your budget.

I'm sure that your officials have looked at the concept and said, what if we have fall . . . the dollar falls to 63 cents? What does it do to the budget? And I'm sure the other projection would have been, what if it goes to 73 cents?

I guess my question is, are you planning . . . not planning, I guess. Are you hoping for the dollar to continue to improve or, in light of your budget, are you hoping that it drops? What's better for the province of Saskatchewan, I guess is my overall question, Mr. Minister.

Hon. Mr. Melenchuk: — I think, Mr. Deputy Chair, in a philosophical context, we are confident with the 67.4 that we've projected at this point in time. But I think that for the province of Saskatchewan an increase of a little bit is good; an increase of too much may not be quite as good. So that's the philosophical approach on that one, Mr. Deputy Chair.

Mr. Krawetz: — And I thank you and your officials for that comment, Mr. Minister.

Mr. Minister, a lot has happened in the last little while right here in Canada as well that seems to have had a bit of a negative impact, especially on Ontario and the city of Toronto with the outbreak of SARS (severe acute respiratory syndrome). And it seems that overall, the nation as a whole has shown some slowdown. We see that the amount of travellers coming to Canada, there seems to be a negative reaction to Toronto. And there is some indication that that might even happen to the rest of Canada because we're sort of all painted with the same brush.

Do you see that this will happen with regards to an impact on Saskatchewan? Thank you, Mr. Minister.

Hon. Mr. Melenchuk: — I think, Mr. Deputy Chair, that there has been considerable speculation on what the impact might be because of SARS on the Ontario economy. I think that when we look at the comments made by David Dodge from the Bank of Canada, that he has indicated that . . . and again speculation that there may be some impact initially but there would likely be a significant rebound.

So if we look at the context of the entire year, we expect that the growth predictions that have been provided by the forecasters are fairly accurate for the yearly average. And at this point in time I think it's a little too soon to really know what that impact might be — if it has an impact at all, Mr. Deputy Chair.

Mr. Krawetz: — Thank you, Mr. Minister. And I agree that as we look for your quarterly report we'll see what impact this has. And I think with proper education and with a positive response by, especially the tourism sector to the rest of the world, I think we can ensure that those people who are in the outfitting business or who rely on tourism dollars aren't affected by something that I believe is very, very remote for the province of Saskatchewan. So I'm encouraged to hear you say that.

Mr. Minister, one of the other effects on Saskatchewan or on Canada might be felt in the area of interest rates. With a rising Canadian dollar, we've had some reaction there but we've also . . . And you mentioned the Bank of Canada and the response to

interest rates. We've seen a slight increase in interest rates in Canada over the last number of months.

Your officials, as they of course are in contact with Canadian officials at the federal level, do you see any increases in the area of interest rates? Or in light of the fact that the Canadian dollar has grown to 70 cents, will that be sufficient to Mr. Dodge to be able to keep the interest rates where they are currently?

Hon. Mr. Melenchuk: — I think, Mr. Deputy Chair, when we look at the comparisons, for example, right now between the Canadian economy and the US (United States) economy, interest rates in the United States are still comparatively lower than they are here. And as recently as last night there were reports from the Bank of Canada that because of the rising Canadian dollar — and I mean a significant rise in a very short time, to the point where we now have a dollar value that is close to what it was five years ago — that in reality that will dampen momentum for raising interest rates in the short term.

So it's our expectation that we may actually not see as much pressure on the Bank of Canada to look at interest rate increases and perhaps they will hold the line in the short term at least, Mr. Deputy Chair.

Mr. Krawetz: — Thanks very much, Mr. Minister. Mr. Minister, one of the areas of concern for all people in Saskatchewan is the area of debt. And we've seen, you know, 11 billion to maybe a \$12 billion debt. And a lot of that debt I know you've . . . I believe Mr. Cline — sorry, the former minister of Finance — had indicated that the breakdown of debt as far as it, as how it was held both within Canada, within North America, and I believe outside of North America . . . As the dollar changes in value, will that have any impact on our debt held in the United States and anywhere else? Or do you feel that the debt, the total value of the debt, is not going to change dependent upon the value of the Canadian dollar?

(11:45)

Hon. Mr. Melenchuk: — Mr. Deputy Chair, I think that if we could refer the Finance critic for the Saskatchewan Party to the budget summary document, right at the tail end on page 53, and I'll just quote:

A one cent change in the value of the Canadian dollar compared to the US dollar from the level assumed in the Budget would change the estimated cost in 2003-04 of servicing government gross debt by approximately \$2.8 million.

When we look at the overall debt that we have, we have currently in foreign debt, which is almost entirely United States denomination, debt of just about 2.3 billion. And with the rising Canadian dollar, that actual level of debt will decline.

Mr. Krawetz: — Thank you very much, Mr. Minister. Mr. Minister, I think it indicates also the interest rate changes on page 53 as well.

You just indicated a number of American debt. Could you, for the benefit of people in the province who don't have access to that green sheet, could you indicate the Saskatchewan debt as

far as the sectors that contain both within Canada and the United States and abroad?

Hon. Mr. Melenchuk: — For the benefit of the public, Mr. Deputy Chair, from the green sheet, if we look at gross debt maturity schedule as at March 31, 2003, Canadian dollar debt, the entire quantum, would be \$10.1 billion; foreign debt would be just under \$2.3 billion; for a gross debt of \$12.398 billion. So most of the debt that we have is Canadian dollar debt. We have a proportion of foreign debt to the tune of roughly \$2.3 billion.

Mr. Krawetz: — Thank you, Mr. Minister, for putting that on the record for people to have a better understanding of where our 12 billion debt, \$12 billion debt is held.

Mr. Minister, you responded to a question that I had about the General Revenue Fund in interim supply debate. And my question was, or dealt with, the Provincial Auditor's report, where the 1994 debt of the province was listed in his report differently than it was listed in the budget. And your explanation dealt with the guaranteed debt, and sinking funds, and the like. The final comment on that information sheet that you sent to me, Mr. Minister, was, the effect of these differences varies from year to year.

My question, Mr. Minister, is that in 1994 you have a difference between your number and what the Provincial Auditor has stated in his document. Yet in the year, I guess the year that would end in 2001, your number matches the number that's in the auditor's report. Can you explain, is that due to the fact that the guaranteed debt — I'm assuming that it would have something to do with the guaranteed debt — that indeed that number has changed to the point where your numbers are matching the auditor's numbers? Or can you just give a better explanation as to why in one instance it doesn't match and in one instance it does match?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, I think that if we look at the comparisons between 1994 and 2001, in 1994 there was considerably more guaranteed debt than in 2001. And the Finance critic is absolutely correct that that does have an impact on the analysis and the final number.

With that guaranteed debt having come down dramatically since 1994, the offsets in adjustments with regard to the fluctuations are considerably smaller and that's why that number is now reflected in both the Provincial Auditor and in the GRF (General Revenue Fund) estimates.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, the auditor prepares the summary financial statements which includes the interest costs of all government debt. The one point . . . I believe it's around \$1.2 billion in total costs where we see the full interest rate costs.

But, Mr. Minister, my question is specific to the Estimates, where we've noted in your document that you indicate that the cost of debt servicing for this year will rise from last year's estimate. I believe last year's estimate was 633 million, and your forecast for year-end, that's March 31, was 618 million. And now we're expecting that for this fiscal year we will see a debt servicing cost of 650 million. That's a substantial increase from the 618 forecasted of about \$32 million.

Mr. Minister, is that due to factors like an increasing debt, in that you're expecting that the debt of the province will rise to above \$12 billion? Is it a change in debt that becomes due and is now being renegotiated at different interest rates? Is it a change in, you know, projected interest rates as we've seen a slight rise?

Could you explain all of the factors that will contribute to the growth in actual debt servicing costs rising by about \$32 million from last year's year-end?

Hon. Mr. Melenchuk: — Thank you, Mr. Deputy Chair, and to the member opposite. In the '02-03 estimate, debt servicing charges for the GRF were set at 633 million. The forecast for '03-04 is 650 million, which is a \$17 million increase.

Most of this would be due . . . Well I guess it's a combination of two things. One, there has been some increased debt, there's no question about that. But also the interest rate charges are higher than they were. We're expecting to refinance approximately 1 billion to perhaps 1.2 billion this year, and of course that refinancing will be at those higher rates and does have an impact.

I might note also that the estimate from '02-03 of 633 actually came in at 618 which is our '02-03 forecast; and about 5.8 million of that reduction was due to the strengthening Canadian dollar. The '02-03 estimate had the Canadian dollar at 63.7, this year's estimate has it at 67.4. What we will have at the end of the year, we don't know at this point. But the member is absolutely correct that the combination of increased debt servicing charges is part of increasing debt, and also increasing interest charges.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, that poses an interesting question of our discussion about you know, 10 to 15 minutes ago, as we've talked about the change in the Canadian dollar. You've indicated that the strengthening dollar resulted in maybe a \$5 million lessening of the costs last year, and that's why the projected cost dropped to 618.

If we see something significantly better than a \$67.4 million, are you expecting then that 650 million anticipated projection is indeed going to be rather high and that will drop significantly if we are at 70 million? Is that a correct assumption?

Hon. Mr. Melenchuk: — I think the, Mr. Deputy Chair, there's two factors to consider. If we have a strengthening Canadian dollar and we also have stagnant or decreased interest rates, then that's very good. So there's two factors there that need to be considered.

And last year I think there was a combination of, one, we did have interest rates that were relatively low. We had a strengthening Canadian dollar. And I think we'll need two, both factors to look at adjustments on our debt servicing costs.

We don't know that at this point in time. And as our earlier discussion in terms of where the Canadian dollar might go to, what the average might be, and also what the interest rates might be, I think we're confident now that we're likely not going to see any short-term interest rate increases. But where that is six months from now we really don't know.

So all we can say at this point in time is that in last year's estimate there was a reduction to the '02-03 forecasts. There was some savings in debt servicing charges. It's too soon to say whether we'll have the same impact this year. And we'll have to wait and see whether that 650 will be reduced when we provide our forecast.

And in our quarterly updates, and mid-term and third quarter reports, if we have enough information at that time, we will make adjustments.

Mr. Krawetz: — Thank you very much, Mr. Minister. Mr. Minister, still sticking to that debt topic, your Estimates book on page 17 is what I'm referring to. You indicate there that the Crown corporation debt and the government debt before adjustments for guaranteed debt and the equity and sinking funds, we see those values for the Crown corporation debt to be at about 3.654 estimated in the previous budget, and moving to about \$3.776 billion, and likewise an increase in overall government debt.

(12:00)

Last week — I believe it was last week; it may be already two weeks ago — we saw the Crown corporations annual reports of CIC and many Crowns which indicated, you know, the overall position of Crowns at the year-end December 31. One of the values that was indicated in CIC documents was the sale of Cameco shares and the realization of a significant amount of, I guess I'll refer to it as a profit, a net surplus overall.

Mr. Minister, when we look at last year and look at that debt, is that number, was that value used to lower Crown corporation debt overall or was it used, you know, for expenditure? Because we still see a continued increase in Crown corporation debt. Or is this total Crown debt that increased minus the sale of Cameco shares?

Could you explain the overall picture of Crown debt, because we don't have a series of Crown estimates in this Legislative Assembly, so that is the reason why I'm posing that question to your officials, Mr. Minister.

Hon. Mr. Melenchuk: — Mr. Deputy Chair, I would refer the member opposite to actually page 14 of the document, and the page title is schedule of lending and investing activities, and at the very bottom it has investment receipts. And the third line, it has equity investment in Crown Investments Corporation. So there is an investment receipt of \$61.3 million in '02-03, which would have been the equity repayment from the Crown to the GRF based on the Cameco share sale.

And if you would refer to the Estimates book from last year, you will see a similar amount which would have been, over the two years, the full amount of Cameco share sales in terms of equity repayment to the GRF.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, are there other expenditures — I guess I'll refer to them as capital expenditures — in the area of Crowns that will require significant borrowing to increase the debt of the Crown corporation debt overall from an expected 3.71 to 3.77? We're going up another \$60 million. Is that a capital investment in

some project? Are those just normal borrowing requirements? Because you know, it's not a huge amount of money but it's still a significant amount that we are indeed going to have to pay more interest costs on.

Could you explain the reason why Crown debt is increasing?

Hon. Mr. Melenchuk: — Well thank you, Mr. Deputy Chair. And the Finance critic has hit it right on, exactly. The increase in the Crown debt by that amount is due to increased borrowing from all of the Crowns for capital investment for projects within the province of Saskatchewan.

So I would suspect that if we were to look at that total amount, we would have to go into the details of each individual Crown. And we don't have that information to come up with the composite. So all I can say is, that is additional borrowing for capital projects within the province of Saskatchewan.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, I still want to stay on the debt for a few more minutes. And one specific Crown that is probably . . . the questions probably should be asked of the Minister of Learning but I know that you have that background, and that's dealing with the Crown corporation called the Education Infrastructure Financing Corporation, the EIFC.

Mr. Minister, last year the government created EIFC and was expected to have an expenditure of about 89.2 million, if I'm looking at your documents on page 16, and overall the forecast was going to come down to 54.3 million.

And I remember the former minister of Finance standing in this House and indicating that there was going to be construction of schools. There were going to be renovations at SIAST (Saskatchewan Institute of Applied Science and Technology) campuses and the University of Saskatchewan and the University of Regina because the government was committed to the \$89.2 million amount that you see in the government Estimates book from last year.

Mr. Minister, could you explain why the change took place that removed an anticipated expenditure of about \$35 million to lower it to \$54.3 million?

Hon. Mr. Melenchuk: — I think the simple answer, Mr. Deputy Chair, is that it really amounts to the timing of the projects. So the dollars for the Education Infrastructure Financing Corporation that were indicated last year have been spread out over a couple of years, and that's based on the timing of the projects. So we had an estimate overall I think last year of 89.2 million. Part of that was dispensed last year and the remainder will be dispensed this year, Mr. Deputy Chair.

Mr. Krawetz: — Thank you, Mr. Minister. I believe I heard you right that you were indicating that your anticipated balance in that fund of 32.4 million in the EIFC will be an expenditure for this current fiscal year. Is that correct?

Hon. Mr. Melenchuk: — Yes, he's correct that that would . . . because it's a financing corporation that that's the borrowing requirement to meet the commitments of the projects that have . . . most of which have been already announced, Mr. Deputy

Chair.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, your budget document begins a process of repayment of monies that were borrowed under the EIFC. I note that in the estimates for Learning in both the K to 12 (kindergarten to grade 12) system and the post-secondary system you have I think listed in one case \$4.714 million of repayment to the EIFC and in the other case 2.440.

Could you indicate whether you have determined the projects that received funding last year under that expenditure of \$54 million and the projects that you anticipate in the future for both of those sectors? Have you determined the amortization period for all of the projects? Is it consistent across the board in relationship to the K to 12 system or the post-secondary system?

And the other question, Mr. Minister, is: as we look at interest rates and fluctuations there, will you continue to have a commitment from the actual estimates of each of the departments to continue to pay back the debt that was incurred last year when those monies were borrowed?

Hon. Mr. Melenchuk: — Mr. Chair, I think that if we look at the detail of the projects, I won't be . . . I can't provide that. That'll have to come from the Department of Learning in terms of what that detail would be.

I can say though that the policies with regard to the EIFC and the dollars that are borrowed and dispensed that . . . for specific projects, that the amortization schedules closely match the debt repayment schedules. So the reality is that if it was a capital investment with regard to equipment, that perhaps could have been amortized over five years and debt repaid over that length of time.

If it was a large project like a school, the debt repayment schedule, amortization schedule, would be more in the 20-year, 25-year range.

So that sort of detail would need to be provided by the Department of Learning in their estimates, Mr. Chair.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, would any of your officials have the breakdown of the \$54.3 million that was borrowed through the EIFC regarding the portion that was K to 12 funding and the portion that was post-secondary funding? Or is that a question that I have to have one of my colleagues pose to the appropriate ministers?

Hon. Mr. Melenchuk: — Mr. Chair, we don't have the actual breakdown here with us. That could be provided through the Department of Learning in their estimates. Or if the member wishes, we could provide that information to him separately as well.

Mr. Krawetz: — No, Mr. Minister, in light of efficiencies I'll have my colleagues ask the appropriate ministers and we'll get the information through the minister responsible for Learning.

Mr. Minister, one of the comments though that you did make was that the 32.4 million is available for this year's expenditure

for projects that I think you've already said, you know, are on the go. Is that also determined by your department as to the split in that \$32 million for Learning, for post-secondary education and for K to 12? Or is that a hit-and-miss kind of thing as far as the percentage of the 32 million and how it will be divided amongst the two departments?

Hon. Mr. Melnychuk: — I think, Mr. Chair, that again when we look at the potential breakdown of the entire amount, the dollars have been allocated to projects. I don't know what the allocation is. For example K to 12, universities, your SIAST institutes, federated colleges — that breakdown could be provided and certainly would be provided by the Department of Learning. That's the level of detail that is not available to the Finance officials with regard to the Department of Finance estimates at this point in time, Mr. Chair.

(12:15)

Mr. Krawetz: — Thank you, Mr. Minister. And I will have my colleague do that, Mr. Minister.

But this year as well as last year, and I understand of course that you weren't the Finance minister last year so you weren't around when the EIFC was created, but your officials were. Was the original allocation of \$89.2 million, was it determined . . . When that amount was looked at, was the breakdown of that amount determined by a percentage? That is, K to 12 was going to get 50 per cent and post-secondary was going to get 50 per cent of that amount and then the projects were worked on.

Or was it determined by the project submissions and then saying well, there's a whole lot of money needed in post-secondary with the expansions at the U of S (University of Saskatchewan) and the U of R (University of Regina), etc., and therefore a larger portion may have gone one way or the other? Do you know from your officials how that money was to be allocated?

Hon. Mr. Melnychuk: — Mr. Chair, I don't because I don't have the Department of Learning estimates in front of me from last year, of the breakdown, the detail.

But I can tell him that when we looked at the creation of the EIFC last year and we looked at the capital requirements, we felt that here was an opportunity to build infrastructure providing additional capital dollars for building schools in the province of Saskatchewan. And I can give him the rough breakdown in terms of where we were at.

The previous estimates had been for K to 12 roughly in that \$24 million range which the allocation was increased to 40 million. And on the post-secondary side the previous estimates had indicated a rough allocation of roughly 30 million which was increased to 50. So we've got that kind of range of 90, with the K to 12 being 40 and the post-secondary being 50 — one an increase from 24 to 40, and one for an increase from 30 to 50.

The actual numbers in terms of the breakdown of the 89.2 available will have to come from the Department of Learning, but I can give him the rough estimates that I recall from having had this discussion in estimates last year with regard to Learning.

Mr. Krawetz: — Thank you very much, Mr. Minister. We'll follow up on that through the Minister of Learning. I appreciate your comments.

Mr. Minister, in the Throne Speech — well actually I believe it was the budget speech — you indicated near the end of the address that the government will provide a summary financial plan as part of next year's budget.

There's been tremendous discussion about summary financial budgeting in this Legislative Assembly, at Public Accounts Committee, of which your officials have been present for that discussion. And I note that, you know, you say next year, and I'm assuming that is going to be for the budget year '04-05.

At the same time we see Crown corporations of course that operate on the calendar year and their year-ends are December 31. So I guess they're going to . . . January, February, and March of '04 those Crown corporations will have some effect.

Will you be looking at a summary financial budget that will encompass the calendar year for Crown corporations and the government's fiscal year for government, which will be '04-05? Is that your intentions as to when you will introduce summary financial budgeting?

Hon. Mr. Melnychuk: — Mr. Chair, the member opposite is absolutely correct. It's our intention to roll in those estimates on a calendar year basis, so when we do provide our summary financial plan that there is matching and obviously a greater transparency and accountability in the overall picture of government at that point in time.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, this is a follow-up question that I asked of you and your officials during the motion on the interim supply. The Provincial Auditor has proposed a model and has made reference to a number of models that are followed across the country, some different than others regarding summary financial budgeting.

Have your officials and your department come up with a model as to how you will be looking at this? Or are you presently investigating a number of models? Or are you copying the model that has been suggested by the Provincial Auditor?

What are the plans and how are they going regarding the actual implementation of a summary financial budgeting model?

Hon. Mr. Melnychuk: — Mr. Chair, the department officials have had a number of discussions with the Provincial Auditor. And I can provide the member, with some certainty . . . In fact I can state that the model that will be used for our summary financial plan satisfies the recommendations of the Provincial Auditor in his 2002 Fall Report.

The Chair: — Order. Before I recognize the member, I just would advise all members that food is not permitted in the Assembly.

Ms. Draude: — Thank you, Mr. Deputy Speaker. Mr. Minister, and to your officials, I have a question on a PST (provincial sales tax) audit. I have a constituent who was audited. He has a logging business.

First of all he wasn't aware that PST had to be paid on used logging equipment that he had purchased in Alberta. But I understand when they expanded the PST base a couple of years, three years ago, that used equipment, logging equipment, is actually now subject to PST and has to be submitted even if it's brought in from out of province. Before I go on, I guess I'll just ask for confirmation of that statement.

Hon. Mr. Melenchuk: — Mr. Chair, the member opposite is correct that there would be PST payable on the used logging equipment purchased in Alberta. That change occurred with the announcement of personal income tax reform and the expansion of the PST to used goods in the year 2000.

But I would also wish to point out that regardless of that change, if that equipment had come from Alberta, Saskatchewan PST would never have been paid. And even prior to the expansion, PST would have been required to have been paid when that equipment was brought into Saskatchewan.

Ms. Draude: — Thank you for that confirmation, Mr. Minister. My question then is, when the gentleman was audited for PST and he was charged the PST on the equipment that he had brought in, but at the same time he had sold a piece of equipment to someone else, hadn't charged the PST on that. So he was actually charged the PST for the piece of equipment that he had sold to someone else as well.

Now to me that doesn't seem to make any sense — where he has to pay the PST on the one hand on something that he had purchased in Alberta, and he was also charged because he had not charged on a piece of equipment that he had sold. So he was dinged both ways.

Hon. Mr. Melenchuk: — I think, Mr. Chair, that the principle of collecting the PST on the sale and then remitting that to the provincial government is a principle. But if the member opposite would be willing to provide information with regard to the detail of the individual case, I will certainly have the revenue branch look into that case and see if everything was done correctly or whether there might have been a problem or an adjustment that would need to be made.

It's difficult to know the exact details in a lot of these transactions, but the principle is that PST is collected at the time of sale and remitted to the provincial government.

Ms. Draude: — Thank you, Mr. Minister. Could you tell me how many PST auditors are on staff now within your department?

Hon. Mr. Melenchuk: — The actual number is 59 PST auditors. There may be a component of some clerical staff, but 59 is the number that's recorded. And all of those positions are filled, Mr. Chair.

Ms. Draude: — Mr. Minister, I don't know if you have the numbers available to you now, but I'm wondering how many audits were actually performed last year and what percentage of them actually have resulted in a refund and what percentage resulted in the clients owing money to the Department of Finance.

Hon. Mr. Melenchuk: — Mr. Chair, the member opposite actually asked the same question last year. And the answer is that we still don't have the exact numbers in terms of the number of PST audits and the amount of recovery from those audits. As soon as we have that information we will provide that information to the member opposite.

And I see, Mr. Chair, that we are at the prescribed time for estimates for the Department of Finance, so I'd like to thank my officials who are here today providing answers to the questions from the members opposite, and I'd like to thank the Finance critic and the Education critic for their fine questions today.

And I would ask that we report progress.

Mr. Krawetz: — Thank you. The member for Canora-Pelly would like to say thank you to the Minister of Finance and to the officials for assisting in understanding some of the things that are before the people of Saskatchewan when we look at the interest rates and the Canadian dollar and the Iraq war and all the other things. And I want to extend my appreciation to your officials as well, Mr. Minister.

The committee reported progress.

The Assembly adjourned at 12:32.

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