



SECOND SESSION - TWENTY-SIXTH LEGISLATURE

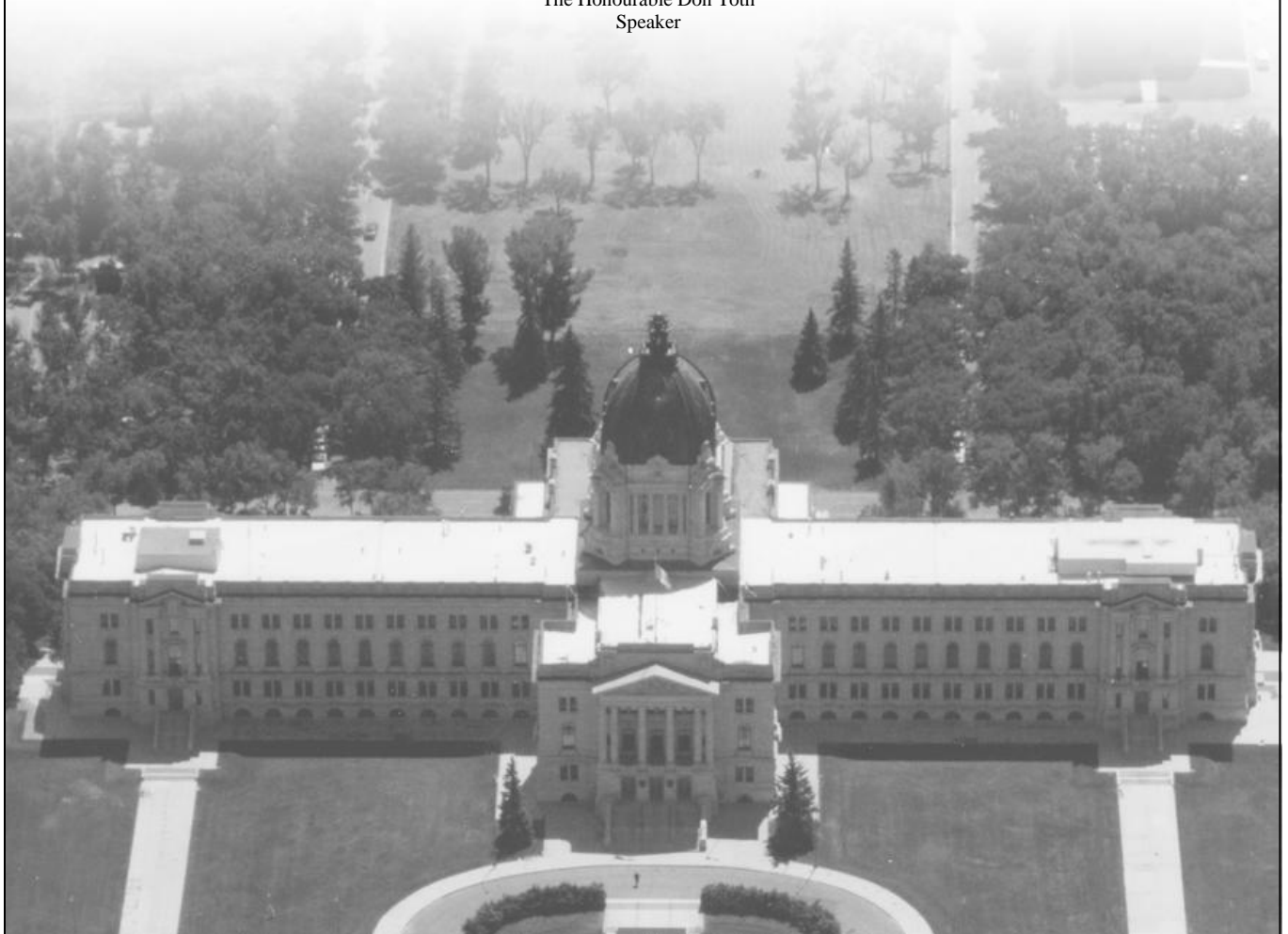
of the

Legislative Assembly of Saskatchewan

**DEBATES
and
PROCEEDINGS**

(HANSARD)

Published under the
authority of
The Honourable Don Toth
Speaker



MEMBERS OF THE LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

Speaker — Hon. Don Toth
 Premier — Hon. Brad Wall
 Leader of the Opposition — Lorne Calvert

Name of Member	Political Affiliation	Constituency
Allchurch, Denis	SP	Rosthern-Shellbrook
Atkinson, Pat	NDP	Saskatoon Nutana
Belanger, Buckley	NDP	Athabasca
Bjornerud, Hon. Bob	SP	Melville-Saltcoats
Boyd, Hon. Bill	SP	Kindersley
Bradshaw, Fred	SP	Carrot River Valley
Brkich, Greg	SP	Arm River-Watrous
Brotten, Cam	NDP	Saskatoon Massey Place
Calvert, Lorne	NDP	Saskatoon Riversdale
Cheveldayoff, Hon. Ken	SP	Saskatoon Silver Springs
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Duncan, Dustin	SP	Weyburn-Big Muddy
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Elhard, Hon. Wayne	SP	Cypress Hills
Forbes, David	NDP	Saskatoon Centre
Furber, Darcy	NDP	Prince Albert Northcote
Gantfoer, Hon. Rod	SP	Melfort
Harpauer, Hon. Donna	SP	Humboldt
Harper, Ron	NDP	Regina Northeast
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Hickie, Hon. Darryl	SP	Prince Albert Carlton
Higgins, Deb	NDP	Moose Jaw Wakamow
Hutchinson, Hon. Bill	SP	Regina South
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Iwanchuk, Andy	NDP	Saskatoon Fairview
Junor, Judy	NDP	Saskatoon Eastview
Kirsch, Delbert	SP	Batoche
Krawetz, Hon. Ken	SP	Canora-Pelly
LeClerc, Serge	SP	Saskatoon Northwest
McCall, Warren	NDP	Regina Elphinstone-Centre
McMillan, Tim	SP	Lloydminster
McMorris, Hon. Don	SP	Indian Head-Milestone
Michelson, Warren	SP	Moose Jaw North
Morgan, Hon. Don	SP	Saskatoon Southeast
Morin, Sandra	NDP	Regina Walsh Acres
Nilson, John	NDP	Regina Lakeview
Norris, Hon. Rob	SP	Saskatoon Greystone
Ottenbreit, Greg	SP	Yorkton
Quennell, Frank	NDP	Saskatoon Meewasin
Reiter, Jim	SP	Rosetown-Elrose
Ross, Laura	SP	Regina Qu'Appelle Valley
Schriemer, Joceline	SP	Saskatoon Sutherland
Stewart, Hon. Lyle	SP	Thunder Creek
Taylor, Len	NDP	The Battlefords
Tell, Hon. Christine	SP	Regina Wascana Plains
Toth, Hon. Don	SP	Moosomin
Trew, Kim	NDP	Regina Coronation Park
Van Mulligen, Harry	NDP	Regina Douglas Park
Vermette, Doyle	NDP	Cumberland
Wall, Hon. Brad	SP	Swift Current
Weekes, Randy	SP	Biggar
Wilson, Nadine	SP	Saskatchewan Rivers
Wotherspoon, Trent	NDP	Regina Rosemont
Yates, Kevin	NDP	Regina Dewdney

[The Assembly met at 13:30.]

[Prayers]

ROUTINE PROCEEDINGS

The Speaker: — Before I call for introduction of guests, I want to extend a welcome to all of the guests who have joined us today, but also just a couple of comments in regards to guest participation in the proceedings on the floor. Just a reminder that guests are not to participate in any form in the proceedings on the floor. And we'd really appreciate that.

And also I would also ask that, if at all possible, that guests remain in their place until the Government House Leader adjourns the proceedings for the afternoon. Thank you for observing these guidelines.

INTRODUCTION OF GUESTS

The Speaker: — I recognize the Premier.

Hon. Mr. Wall: — Thank you very much, Mr. Speaker. Well to you and through you — I guess this is more of a welcome than an introduction — on behalf of the government, we want to welcome all of the guests that have joined us this day for the budget presentation. Obviously the groups that are represented here and significantly the individuals are just too numerous to mention. But on behalf of the government, we want to welcome them all here to their Legislative Assembly. Thank you, Mr. Speaker.

Hon. Members: — Hear, hear!

The Speaker: — I recognize the Leader of Her Majesty's Loyal Opposition.

Mr. Calvert: — Thank you, Mr. Speaker. I want to join with the Premier in welcoming the many guests who have gathered at the legislature today — those in the Chamber and those who are in other rooms in this building. We have today gathered in this building a very broad cross-section of the great people of Saskatchewan, and we welcome each of you here today. Thank you for being here. On behalf of the official opposition, welcome.

Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Biggar.

Mr. Weekes: — Thank you, Mr. Speaker. To you and through you I'd like to introduce a gentleman seated in your gallery, Mr. Olaosebikan Olajuwon Ebenezer. Mr. Ebenezer is a senior legislative officer at the Lagos State House of Assembly in Nigeria. He is an author and a lecturer at the Lagos university dealing with international conflict management issues.

I met Mr. Ebenezer at the Commonwealth Parliamentary Association Conference in Malaysia last year, and Mr. Ebenezer will be visiting us over the next few days. And please join me in welcoming Mr. Ebenezer to our legislature.

Hon. Members: — Hear, hear!

The Speaker: — Members, it's my pleasure as well to introduce three guests who have joined us today from Ottawa. First of all the Hon. Peter Milliken, Speaker of the House of Commons, and I'd ask him to rise. And joining Mr. Milliken is Mr. Andrew Scheer, Deputy Speaker of the House of Commons, and Mr. Anthony Carricato, events coordinator, Office of the Speaker.

We're honoured to have the Speaker from the House of Commons joining us, his Deputy Speaker, and his events coordinator. They have come to observe the proceedings in our Chamber and I'd like to ask the members to extend them a warm welcome.

Hon. Members: — Hear, hear!

PRESENTING PETITIONS

The Speaker: — I recognize the member from Moose Jaw Wakamow.

Ms. Higgins: — Thank you very much, Mr. Speaker. I rise today to present a petition that speaks to the point that the investment in quality child care delivers significant economic and social dividends to a region, and that with the provincial government receiving seven and a half million dollars from the federal government yearly for the creation of child care spaces, there's concern that this money is not being spent in its entirety.

Mr. Speaker, in this province we risk squandering an important social and economic benefit without significant new child care spaces. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Legislative Assembly may be pleased to cause the government, through consultation with child care community, to immediately invest in growing the capacity of early child care community to enable new child care spaces. This investment must include infrastructure funding for new facilities and expansion, funding to significantly increase the number of early childhood diploma and certificate training seats, and funding to ensure that the sector is able to increase its wages and benefits to attract and retain needed personnel.

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

Mr. Speaker, I so present on behalf of citizens of Estevan and Regina.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Saskatoon Centre.

Mr. Forbes: — Thank you very much, Mr. Speaker. I rise today to present a petition calling for wage equity for CBO [community-based organization] workers. And we know that many of these folks have been traditionally underpaid, and many continue to earn poverty-level wages. I'd like to read the

prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the development and implementation of a multi-year funding plan to ensure that CBO workers achieve wage equity with employees who perform work of equal value in government departments.

As in duty bound, your petitioners will ever pray.

And these petitioners come from a wide range of communities in Saskatchewan, including Macklin, Riverhurst, Moose Jaw, Lanigan, Regina, Saskatoon, North Battleford, Borden, Melville, and Yorkton and Swift Current. Thank you very much, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Regina Walsh Acres.

Ms. Morin: — Thank you, Mr. Speaker. I rise to present a petition on behalf of rural residents who feel like they've been left behind by this government and are having to deal with the cost burden of providing quality drinking water in their municipality. And the prayer reads as such:

Wherefore your petitioners humbly pray that your Hon. Legislative Assembly may be pleased to cause the government to financially assist the town of Duck Lake residents for the good of their health and safety due to the exorbitant water rates being forced on them by a government agency, and that this government fulfils its commitment to rural Saskatchewan.

As in duty bound, your petitioners will ever pray.

These petitions, Mr. Speaker, are signed by the good residents of Duck Lake.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from The Battlefords.

Mr. Taylor: — Thank you very much, Mr. Speaker. I'm pleased to rise in my place today to present a petition in support of a new Saskatchewan Hospital in North Battleford. Mr. Speaker, the petitioners acknowledge that in February 2006 the Government of Saskatchewan did commit funds and resources to the development and construction of a new Saskatchewan Hospital at North Battleford.

Mr. Speaker, the petitioners ask:

... the Legislative Assembly to call upon the Government of Saskatchewan to immediately recommit funds and resources for the continued development and construction of a new Saskatchewan Hospital at North Battleford and provide Prairie North Regional Health Authority with the authority necessary to complete this essential and much-needed project.

Mr. Speaker, the petitioners all come from the city of North

Battleford and, Mr. Speaker, I so present. Thank you very much.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Saskatoon Massey Place.

Mr. Broten: — Thank you, Mr. Speaker. It's a pleasure to stand and present a petition in support of fairness for students through the expansion of the graduate retention program. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Legislative Assembly may be pleased to cause the government to immediately expand the graduate retention program to include master's and Ph.D. graduates.

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

Mr. Speaker, the individuals who signed this petition are students from the University of Saskatchewan, students from the University of Regina, as well as a number of health care professionals, some of whom hold graduate degrees. I so present.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Regina Rosemont.

Mr. Wotherspoon: — Thank you, Mr. Speaker. I rise to present petitions in support of a reduction in the education portion of property taxes. This is needed by Saskatchewan families and Saskatchewan business. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Legislative Assembly may be pleased to cause the government to stop withholding and to provide significant, sustainable, long-term property tax relief to property owners by 2009 through significantly increasing the provincial portion of education funding.

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

And these petitions, Mr. Speaker, are signed by concerned citizens of Regina. I so present.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Cumberland.

Mr. Vermette: — Mr. Speaker, I rise today to present a petition to repair the Highway No. 135 that runs through Pelican Narrows, Saskatchewan. This petition is signed by leadership and community members of Pelican Narrows First Nation, the village of Pelican Narrows and area. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Legislative Assembly may be pleased to cause the government to pave the 7 kilometres of Highway 135

through the community of Pelican Narrows as committed on August 24, 2007.

As in duty bound, your petitioners will ever pray.

Some Hon. Members: — Hear, hear!

STATEMENTS BY MEMBERS

The Speaker: — I recognize the member from Regina Walsh Acres.

Cost of Living Increases

Ms. Morin: — Thank you, Mr. Speaker. Mr. Speaker, residents of Regina Walsh Acres are struggling to cope with the surging cost of living as a result of Sask Party ideological dithering on the renting crisis, government imposed increases in utility rates, and the lifting of the tuition freeze for university students.

Janny, a senior who lives on her own now that her husband has passed away, is worried about paying her mounting Crown utility bills with her already tight pension: “I already turn down the heat and wear as many sweaters as I can [she explains], and the bills are still high.”

Unfortunately Janny will also have to live in the dark now that the Sask Party is proposing to raise power bills by 13 per cent.

Westly, a new renter in Regina, was recently served notice of a rent increase of \$100, bringing his total rent for a one-bedroom apartment to \$825. As Westly puts it, “It seems the Sask Party is more interested in helping their suit-wearing corporate friends instead of those of us who work all day and come home worried about how to pay these outrageous bills.”

Tiffany, a student at the University of Regina, is finding out that the Sask Party’s commitment to students involves higher tuition costs and more student debt. With the end of the NDP [New Democratic Party] tuition freeze, Tiffany is facing an increase of \$592.45 for the upcoming undergraduate semester.

Mr. Speaker, New Democrats stand on the side of Saskatchewan residents as the Sask Party makes life more expensive.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Moose Jaw North.

Moose Jaw Students Win Junior Achievement Awards

Mr. Michelson: — Thank you, Mr. Speaker. Congratulations to the Junior Achievement students at A.E. Peacock Collegiate in Moose Jaw. This outstanding group of young entrepreneurs won six awards at the Southern Regional Junior Achievement Awards Banquet last evening here in Regina. The Junior Achievement program is a business entrepreneur class that teaches practical business skills from the idea, concept, to creating, developing, and operating a business.

The class at A.E. Peacock Collegiate created a packaged dry

goods assembly made of ingredients of cookies, cappuccino, and homemade soup, and developed a company called Jarfuls. Jarfuls was a marketing success in the community and at last evening’s award ceremonies, individuals received awards: for Salesperson of the Year was Christine Richard; Brent Gunningham and Steve Dearing for marketing excellence; and Allan Szeto for vice-president of finance. The Educator of the Year was their teaching adviser, Barbara McKinnon. Jarfuls was also the winner of shareholders report and the Prestigious Company of the Year award.

I would like all members to show their appreciation for the Junior Achievement program and to congratulate the company members of Jarfuls: Annie Bartel, Allan Szeto, Christine Richard, Jessica Glass, Steve Dearing, Brent Gunningham, Terri-Lynn Abbey, Ashley Zaremba, Jesse Lutchter, Tyson Wenarchuk, Devan Rowsell, along with their teaching advisers Barbara McKinnon and Tessa Jordan. Thank you, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Regina Rosemont.

Property Tax Relief

Mr. Wotherspoon: — Thank you, Mr. Speaker. If a government is judged by whether it follows through on its promises and on its ability to respond to the current pressures of its residents, then the Sask Party is failing miserably on the property tax file.

Given that 2009 is a reassessment year, many families and businesses are being hit with large increases. The Sask Party government has received thousands of petitions from communities and organization. This opposition has petitioned the Sask Party daily in this Assembly and adamantly called for reform.

The hypocrisy of the Sask Party with regard to property tax was not lost on delegates from across Saskatchewan at the recent SUMA [Saskatchewan Urban Municipalities Association] convention or at SARM’s [Saskatchewan Association of Rural Municipalities].

To add insult, the Sask Party’s year-long property tax study and report, paid for with taxpayers’ dollars, has not been released to the public. This is a complete reversal of the transparent process of past taxation studies under the NDP such as the Vicq report and the Boughen Commission.

The Sask Party must provide Saskatchewan families and businesses the property tax relief they were promised and that they so deserve, Mr. Speaker. A long-term, sustainable reduction of the reliance on property taxes to fund education must be included in today’s budget. It must provide fair sharing of provincial dollars across Saskatchewan, whether that’s an urban centre or small town Saskatchewan. Mr. Speaker, anything less will represent a failure. Thank you.

Some Hon. Members: — Hear, hear!

The Speaker: — Before I recognize the next member, I ask for

members' co-operation in allowing the member who has the floor to speak. I recognize the member from Yorkton.

Yorkton Hosts Canada Cup of Curling

Mr. Ottenbreit: — Thank you, Mr. Speaker. I was both excited and honoured to be part of an event last evening to bring greetings on behalf of the Government of Saskatchewan and my hometown and home constituency of Yorkton — the home of the 2009 Canada Cup of Curling.

As local residents, we know the capacity and potential of our community, which is the centre of the third largest trading area in the province, to host special events, large and small, due largely in part to facilities like Yorkton's Gallagher Centre and our volunteer base.

Events like the Canada Cup of Curling, which feature the best male and female curlers in Canada, let us showcase and show off our community, not only to the rest of the province but to the country and the world.

[13:45]

Let me just run through some of the facts about this event, Mr. Speaker. February 18, 2008, the CCA [Canadian Curling Association] awarded the Canada Cup to Saskatchewan for the first time — to Yorkton. This is the largest sporting event ever hosted by Yorkton and the committee is expected attendance of 25,000 over 15 draws. Fifteen per cent of ticket sales are from outside the province, 50 per cent are from outside the community, bringing a large number of dollars to our local economy.

The winners become part of the pool of 16 men's and 16 women's teams eligible to either a berth directly into the 2009 Olympic trials or into the pre-trials qualifier. TSN [The Sports Network] will be providing 14 hours of coast-to-coast coverage of this event.

This is huge, and our government acknowledges the vital role that tourism plays in the promotion of our province and our economy. Our commitment to double the government's spending on tourism is reflected in our \$50,000 investment in making Yorkton the home of the 2009 Canada Cup of Curling.

I'd like to congratulate the Yorkton committee, and best of luck to all competitors.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Saskatoon Massey Place.

Graduate Retention Program

Mr. Broten: — Mr. Speaker, over the past weeks I've repeatedly presented petitions from the people of Saskatchewan calling for the Sask Party to expand their graduate retention program to include master's and Ph.D. graduates.

When the Sask Party scrapped the previous NDP's grad tax exemption and introduced their tuition rebate scheme, they

made two serious blunders. First, they excluded out-of-province graduates. Thankfully, after considerable pressure from the NDP opposition and from across Saskatchewan, they extended the program to out-of-province grads just as the NDP's grad tax exemption had done all along.

But, Mr. Speaker, there was a second blunder which they have yet to address. They neglected to include master's and Ph.D. graduates. In a time of global economic uncertainty, surely we ought to be encouraging those with higher education to build their lives here. On our university campuses, we need to attract new professors. In our health care system, we need more physiotherapists, speech-language pathologists, nurse practitioners, and clinical psychologists. In our society, we need public policy experts and social workers to provide intelligent advice and services. And in our economy, we need business graduates to remain and provide leadership.

Mr. Speaker, it's a time for the Sask Party government to stop squandering our province's future prosperity by refusing to see the value of keeping those with masters' and Ph.D.s here in Saskatchewan. Today my NDP colleagues and I, along with the many students and professionals who have signed the petitions, ask the Sask Party to do the right thing and expand their graduate retention program to include all university students. Thank you, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Meadow Lake.

Agreement Signed for Mineral Exploration

Mr. Harrison: — Mr. Speaker, last week Pitchstone Exploration announced that they have signed a letter of agreement with Japan Oil, Gas and Metals National Corporation. Pitchstone Exploration is a junior exploration company with uranium properties in the Athabasca Basin of our province.

The deal was worth \$2 million to do further exploration of the properties. This is great news at a time when junior exploration companies are having a difficult time raising funds in the market.

Last November, companies and a government delegation attended the China mining conference in Beijing which I was fortunate enough to lead. Our delegation made some great contacts and further promoted Saskatchewan as an excellent place to invest. In addition to that trip, Pitchstone Exploration was one of eight companies that attended the most recent mineral investment mission in Japan and China, led by the Minister of Energy and Resources, the member from Kindersley.

Over the past three years, over \$60 million of investment have flowed to companies operating in Saskatchewan from the Asian market. Our government believes there are strong prospects for more investment, and we will do our best to help companies attract that investment.

In closing, I would like to congratulate Pitchstone Exploration on their new agreement, and wish the best of luck in their

exploration activities.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from The Battlefords.

Provincial Psychiatric Facility

Mr. Taylor: — Every day since this legislative session opened in early March, I have risen in my place and presented petitions signed by the residents of The Battlefords and surrounding constituencies, including Cut Knife-Turtleford and Biggar. It was my intention to show that there is support for continued provincial funding for the development and construction of a new Saskatchewan Hospital in North Battleford.

The petitioners know that this one and only provincial psychiatric facility received support and funding from the previous NDP government in early 2006. They know that the local health authority has indicated that a new hospital is a priority. And more importantly, the petitioners know that the existing facility is nearly 100 years old and in much need of replacement.

During the 2007 provincial election, the Saskatchewan Party said if they were elected they would honour the commitment to the new hospital. After the election and after last year's provincial budget, the new Minister of Health indicated that he was aware of how badly the facility needed replacement. And in recent weeks, the Minister of Health has announced more than 150 million in new infrastructure funding for long-term care homes that need replacing.

Therefore, I think, Mr. Speaker, we have established the need for new funding, support for new funding, and an ability to provide new funding. It's only the matter of commitment that is left to decide. Will we or will we not see in this provincial budget if this government has the will and commitment to support people with psychiatric needs, their families, and the host community of The Battlefords? Mr. Speaker, I remain supportive and optimistic.

Some Hon. Members: — Hear, hear!

QUESTION PERIOD

The Speaker: — I recognize the member from Regina Douglas Park.

Government Spending

Mr. Van Mulligen: — Mr. Speaker, last fall the government's Growth and Financial Security Fund, the so-called rainy day fund, sat at \$1.9 billion. At the time, the Premier claimed that the rainy day fund is, and I quote him, the rock on which we will build the economic future of the province. It was to be our insurance policy against the wild gyrations in revenue that might occur.

Today the rainy day fund sits at just \$1.2 billion. In a year when government revenues have never been higher, and dramatically so, the Saskatchewan Party has drained the rainy day fund by nearly \$800 million in just a few months.

And my question is to the Minister of Finance: what happened to the Premier's rock? Why did he drain the rainy day fund in a year when government revenues were rising so dramatically?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Premier.

Hon. Mr. Wall: — Thank you. Thank you, Mr. Speaker. The Minister of Finance is going to have the opportunity to address this Assembly and provide the budget and then answer questions in the days that follow. So permit me, if I can, to answer the hon. member's question.

I want to thank him for the question and point out that the position of the opposition with respect to the balance in the Growth and Financial Security Fund has changed markedly. When we made the original announcement in the fall about historic tax reductions, about investments in infrastructure, about reducing the province's debt by 40 per cent, the comment with respect to the balance in the Growth and Financial Security Fund from that member was:

Reacting to the mid-year report [I'm quoting from a radio story] the NDP has found fault not with what the government is doing, but rather with what it is not doing. Finance critic Harry Van Mulligen maintains with all the extra money it should be doing more to help those with rising costs of housing and utilities.

So which is it, Mr. Speaker, with respect to the opposition's position on this fund? Do they want it to be spent or do they want it to be maintained?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Regina Douglas Park.

Mr. Van Mulligen: — Well, Mr. Speaker, at that time the Premier was committing to keep \$2 billion in the Fiscal Stabilization Fund and so-called rainy day fund, Mr. Speaker.

Mr. Speaker, private sector forecasters are saying that they see storm clouds on the horizon for Saskatchewan. Last Thursday RBC [Royal Bank of Canada] forecast economic growth of less than 1 per cent in Saskatchewan in the coming year, and just yesterday Scotiabank predicted zero per cent economic growth for 2009. Is the minister still convinced that, given what lies ahead, this current fiscal year was the right time to drain our rainy day fund?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Premier.

Hon. Mr. Wall: — It is an interesting characterization of the Growth and Financial Security Fund that it would be drained with \$1.2 billion on balance today after the fact, after the fact that we've already provided historic income tax relief to help stimulate the economy, infrastructure investment to stimulate the economy, and reduced the debt this government inherited in its first full budget year by 40 per cent, Mr. Speaker. By 40 per

cent.

With respect to the balance that was in the fund in the fall as reported in the third quarter, the Leader of the Opposition had this to say, Mr. Speaker: “NDP Leader Lorne Calvert also said [and I’m quoting from a Canadian Press story] the \$1.9 billion . . . was, ‘a very substantial amount of money’ to hold when there are issues to be dealt with.”

Issues I would expect the hon. member was referring to: stimulating the economy and ensuring the people of the province are sharing in the benefits. That sounds like infrastructure investment. That sounds like sustainable tax relief. That sounds like historic debt reduction, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Regina Douglas Park.

Mr. Van Mulligen: — Mr. Speaker, no one believes that the government’s actions were anything more than an inter-year transfer of responsibilities of spending commitments.

Mr. Speaker, in the last election, in the last election, the Saskatchewan Party promised to limit increases in provincial government spending to an average of 3 per cent per year. The current year budget, the first Saskatchewan Party budget, increased spending by 10 per cent over the previous year. We don’t know yet about today’s budget, but third quarter projections would indicate an increase of at least 10 per cent over what was budgeted this year.

Mr. Speaker, did I read the Sask Party platform wrong? Was it 3 per cent per year or was it 3 per cent per quarter? Or is this simply a broken promise?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Premier.

Hon. Mr. Wall: — Mr. Speaker, I’m glad the hon. member is reading the Saskatchewan Party platform. If he has indeed read the entire platform he will note that 100 promises in that platform have already been kept by this government ahead of the budget that it’s going to bring down today.

And with respect to the finances of the province, he would have noted that we had promised a new, tougher, balanced budget legislation. We have kept that promise. He would have noted that this government promised to automatically use unbudgeted surplus for debt reduction and for other economic initiatives like infrastructure investment. We’ve also kept that promise, Mr. Speaker.

We inherited a huge infrastructure deficit from those members opposite. We have begun the work of dealing with that deficit and with respect to the promise in the platform, again I’m proud to say that the people of the province of Saskatchewan, together with their government, have reduced the province’s debt by 40 per cent in one year, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Regina Douglas Park.

Mr. Van Mulligen: — Mr. Speaker, the new balanced budget legislation looks a lot like the old balanced budget legislation.

Mr. Speaker, speaking of promises, last year, last year the Minister of Finance said in his four-year financial plan, he would keep provincial government spending at manageable levels. He announced for example that the Sask Party had set a target of five per cent growth in spending for the budget that he will be presenting today.

So my question is to the minister: will he be able to keep that promise today?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Premier.

Hon. Mr. Wall: — Mr. Speaker, I think this is an important line of questioning that we have now before the Assembly. This is an important debate. And it’ll be interesting to see if the opposition, in the weeks that come to follow the budget, are going to be listing the things they want the government to spend on or be advocating for the expenditure side control.

I could say this, Mr. Speaker. This party in opposition committed to balanced budgets for the province of Saskatchewan. At a time when no one else in the nation and very few other jurisdictions on the continent are providing balanced budgets for their people, are providing debt reduction, are providing sustainable tax reduction, Mr. Speaker, at a time such as that, the province of Saskatchewan, up until today — and we’re not going to talk about what’s in the budget yet — but up until today, we have been doing exactly that, Mr. Speaker: balancing the books, reducing the debt, keeping taxes low to keep our economic advantage going.

And I say to that hon. member in terms of what’s to come, just a few more minutes he need wait to find out whether or not this trend of good management and balanced budgets and a growing economy will continue for the great province of Saskatchewan.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Regina Douglas Park.

Mr. Van Mulligen: — . . . a simple question about spending increases, Mr. Speaker, but we get an unrelated answer.

So let me try this in a different way. Mr. Speaker, the Minister of Finance also pledged to limit growth in provincial government spending to 3 per cent in the Sask Party’s fourth year in office. He stated, and I quote, “We think that this is a responsible way to approach it and that it will be attainable.” Let me underline that word, attainable, Mr. Speaker.

So to the minister: does he feel confident that the Sask Party will be able to meet its target of 3 per cent spending growth in 2011?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Premier.

Hon. Mr. Wall: — Mr. Speaker, just before question period we heard from a number of members opposite in their members' statements, and each one of them had a list of things that they would like this government to spend money on. Some of them were talking about property taxes. I think that's a very important issue for the province of Saskatchewan.

And I would say this, Mr. Speaker. The interesting thing about property tax reduction is that it means there's going to be an expenditure increase because the definition of educational property tax reduction means the government is funding more of education for the province of Saskatchewan. So I would say to the hon. member, he need only wait a few more minutes to see whether or not we can achieve that meaningful and sustainable property tax reduction and whether or not there'll be an attendant balance on the expenditure side of the budget.

What he doesn't have to wait for, Mr. Speaker, is an assurance of this — that this government will present the only balanced budget in Canada later this day.

Some Hon. Members: — Hear, hear!

[14:00]

The Speaker: — I recognize the member from Regina Douglas Park.

Mr. Van Mulligen: — So we'll see at the end of the day, Mr. Speaker. Mr. Speaker, in a year when government revenues were rising dramatically, the Saskatchewan Party inexplicably drained the rainy day fund. The Sask Party has overshot spending targets they set for themselves during the election and during last year's budget. Now private sector forecasters are predicting growth of less than 1 per cent in Saskatchewan this current year.

So my question is to the minister. Will he announce a credible plan in today's budget to bring provincial government spending in line with the growth in the provincial economy, Mr. Speaker?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Premier.

Hon. Mr. Wall: — You know, Mr. Speaker, just before the election the NDP government of the day broke a long-standing tradition of this Assembly, of the governments of this province, including previous New Democratic governments — principally the Romanow administration — of providing a longer term view of the province's finances, providing a four-year or a five-year picture of the province's finances. But in the dying days of that tired, old NDP government from only 15 months ago, they stopped doing it, Mr. Speaker. They wouldn't provide the people of Saskatchewan any perspective on their long-term plan.

Mr. Speaker, we have enshrined that kind of planning, that kind of transparency in the new balanced budget legislation of the

province. The people of Saskatchewan can expect, they will see in this budget, a long-term perspective that spells out balanced budgets and surpluses, Mr. Speaker, and a growing economy for Saskatchewan people.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from The Battlefords.

Management of Pension and Investment Funds

Mr. Taylor: — Thank you very much, Mr. Speaker. And speaking of storm clouds, the province has already been negatively affected by the economic storm outside our provincial borders. According to the latest SGI [Saskatchewan Government Insurance] annual report, the SGI Auto Fund is approximately 1.1 billion in investments. The Saskatchewan Auto Fund has recently suffered a \$40 million loss as a result of a \$60 million loss in investment income.

With a \$60 million drop in income, Mr. Speaker, what plan does the Minister of Finance have in place to ensure that the people of Saskatchewan are not facing a massive increase in car insurance rates?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Minister Responsible for Crown Corporations.

Hon. Mr. Cheveldayoff: — Thank you very much, Mr. Speaker. I'm not sure if the hon. members opposite could be any more negative, but I can tell you on a day as today, just wait a few more minutes and things will be very, very positive in this Chamber.

SGI continues to operate in a very sound financial manner. It's an insurance company that operates like all insurance companies do in North America. It has a sound portfolio of investments they use to keep insurance rates as low as possible.

Yes, Mr. Speaker, there has been a downturn in capital markets all over North America. Yes, it has an effect on the portfolio of SGI. It will be continued to be managed in a professional way by Greystone management and others to ensure that those rates remain the lowest in the country, which they are today.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from The Battlefords.

Mr. Taylor: — Thank you, Mr. Speaker. The SGI Auto Fund is not the only fund in government that's suffering from the economic crisis. Investment income is also an important revenue stream for the Workers' Compensation Board, and there is a direct correlation between how well the WC [workers' compensation] investment fund performs and what the premium rates are set at. Last year when Workers' Compensation Board announced a premium reduction of 8.2 per cent, the WCB attributed it to higher than anticipated investment returns.

Mr. Speaker, if higher investment returns result in an 8.2 per cent decrease in premiums, my question to the Minister of

Finance is what per cent increase are we looking at with today's market numbers? Mr. Speaker, will premiums have to rise, affecting the affordability of doing business in Saskatchewan?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Minister Responsible for Advanced Education, Employment and Labour.

Hon. Mr. Norris: — Mr. Speaker, we certainly appreciate this question. Mr. Speaker, we have every confidence that the Workers' Compensation Board continues to manage funds in a very professional way, Mr. Speaker. It's with that confidence that we know that we can move forward and industry and business should have every confidence that the system is sound and intact. Thank you, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from The Battlefords.

Mr. Taylor: — Thank you, Mr. Speaker. There are thousands of government employees that are invested in the Saskatchewan health employees' pension plan. In June of last year, this pension fund had almost \$3 billion in assets. At the beginning of this year, it was down to 2.4 billion in assets. This fund has lost \$600 million in six months.

Mr. Speaker, to the Minister of Finance: government employees are losing pension dollars. What plan is there in place to deal with the situation? Or, Mr. Speaker, do we just let the current circumstances apply and pass on the increased costs to the taxpayers through the GRF [General Revenue Fund]?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Minister of Justice.

Hon. Mr. Morgan: — Mr. Speaker, our province regulates a large number of pension funds — pension funds for government employees, pension funds for private sectors. We are working with private sector and public sector pension funds across the province right now to ensure that they are able to maintain solvency and to maintain everything that they're required to do so that they can satisfy the employees as their retirements come about. And of course global markets have been a factor, but we have every confidence that with professional management that things will continue to work as they are supposed to do, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from The Battlefords.

Mr. Taylor: — Thank you very much, Mr. Speaker. Top of everyone's mind at the recent University of Saskatchewan board of governors meeting was the future of the school during this economic crisis. In less than a year, the university's endowment fund has dropped 20 per cent while its investment funds have lost a staggering \$85 million.

This has had staff and students asking a number of questions. Will the university be able to maintain its level of education?

Will this result in the cutting of classes offered which will result in job losses? And how will this affect tuition fees?

Mr. Speaker, to the Minister of Finance: what is he going to do to assure that this dramatic loss in endowment and investment funds will not affect the day-to-day operations of the university or result in increased tuition fees?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Minister Responsible for Advanced Education, Employment and Labour.

Hon. Mr. Norris: — Mr. Speaker, for over the last hundred years, the University of Saskatchewan has gone through a series of challenges and opportunities. It's endured world wars. It's gone through the depression. Mr. Speaker, we have every confidence that the administration and board at the University of Saskatchewan is well positioned and well placed to ensure not only that that institution endures, but succeeds in this time of change. Mr. Speaker, I appreciate the question.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member for The Battlefords.

Mr. Taylor: — Thank you very much, Mr. Speaker. Private sector forecasters are telling us to brace for a storm. They do see storm clouds on the horizon. The storm hasn't hit Saskatchewan in a very dramatic way, and yet we're seeing dramatic losses in government investment funds and pension funds, as well as the university endowment and investment funds.

Will the minister, Mr. Speaker, stop looking in the rear-view mirror at last year's economic prosperity and start looking forward? Will he tell us what the long-term plan is to weather the coming storm? And more importantly, Mr. Speaker, thinking about without the rainy day fund — the insurance fund, Mr. Speaker, the Premier's Rock of Gibraltar — what is the plan to deal with the storm damage that we've already experienced?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Minister of Justice.

Hon. Mr. Morgan: — Mr. Speaker, if the members opposite can wait for a few more minutes, they'll hear a strong and robust economic plan that will take this province forward and will deal with a number of the issues that are there.

With regard to the global economy, this province is not completely immune from those things. And we will work through those challenges, and we will work through them as effectively and as strongly as can possibly happen. And I want to say to the citizens of this province, that they need not worry about financial institutions or pension solvency in this province. We have a government that is aware of the issues and is working with the agencies and the institutions that provide those services. And the citizens of this province can be entirely confident that they will be well protected by this government, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the member from Regina Rosemont.

Property Tax Relief

Mr. Wotherspoon: — Mr. Speaker, today's media reports that the government will be introducing changes to the education property tax. We're pleased to see that after daily petitions and lobbying by this opposition, that that government may put forward a plan for our review. We have learned, however, that with this government, it's the devil that's in the details.

To the Premier: can he assure Saskatchewan property owners that every property owner will be treated fairly, no matter where you live in this province? Will property taxes decline for every property owner in Saskatchewan?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Premier.

Hon. Mr. Wall: — Mr. Speaker, very, very interesting preamble from my hon. friend, the NDP taking credit for what may happen in the budget with respect to sustainable property tax relief — very, very interesting.

And I think some of the stakeholders here today may be weighing in on it because what we saw from the NDP, year after year and term after term, were promises, Mr. Speaker. They'd go to SARM and they'd make a promise, did the former premier, Mr. Speaker. They'd commission a study. They would ignore that study. They'd commission another study, and it would gather dust on the shelf. And no long-term solution was ever forthcoming from members opposite. In the last campaign, when they finally did offer something on property tax . . .

The Speaker: — I would like to remind members that, you know, if you've asked the question, please have the respect to allow the member to answer. I recognize the Premier.

Hon. Mr. Wall: — Mr. Speaker, in the last campaign they again came forward with their plan for property tax and completely omitted agriculture — not a single initiative for the property tax issue in rural Saskatchewan. That has been their track record, Mr. Speaker.

As for this side of the House, we've made some promises with respect to interim action on rebates and a long-term plan. We'll see just in a few minutes whether or not we will be able to keep that promise a year ahead of schedule, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Leader of Her Majesty's Loyal Opposition.

Revenue Projections

Mr. Calvert: — Mr. Speaker, my question will be for the Premier. Yesterday we saw some troubling headlines. We see how the Potash Corporation intends to lay off 940 people and

cut production. Now I understand they cut production by 2 million tonnes. This adds another 1.5 million tonnes of cut in production in potash.

The same day, just behind this article, we read an article that says the Scotiabank is now predicting that our real, the GDP [gross domestic product] growth in the coming year will be at zero per cent.

My question is to the Premier: do these new indications of what's happening in our economy, will they have impact on the revenues of the province?

Some Hon. Members: — Hear, hear!

Hon. Mr. Wall: — Thank you very much, Mr. Speaker. I want to thank the hon. member for that question. We're going to find out about the revenue projections for the province going forward with respect to potash and other resource commodity revenues here, just in a very short while.

You know, members on this side of the House, myself and others, members on that side of the House have been all saying relatively the same thing when it comes to the economy of the province.

We're not immune to what's happening worldwide. We're not immune at all to global economic recession. Certainly that is the market for our products that we have here in the province. However, it is true that every forecaster, every chartered bank, and the Conference Board of Canada, up to and including yesterday's, which are reduced forecasts for growth, have said the same thing, and that is that this province — our province of Saskatchewan, notwithstanding the fact that we are not immune to what's going on — that we will lead Canada. That, Mr. Speaker, we are still a place that is creating jobs and economic momentum, not just for our citizens but for people across the country.

We need to make sure we have a government that's maintaining that momentum, and we're going to work very, very hard to do that, beginning with the budget in a few minutes, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Leader of the Opposition.

Growth and Financial Security Fund

Mr. Calvert: — Mr. Speaker, my question is again to the Premier. When in opposition, he was opposed to the notion of this province having what was then called the Fiscal Stabilization Fund. When he inherited government, he said the fund that he inherited, which was about \$1.8 billion, he described that as a stark situation. Well now, Mr. Speaker, we have a new commitment to a process of fiscal stabilization, whether you call . . .

The Speaker: — I recognize the Leader of the Opposition.

Mr. Calvert: — Whether it's called the growth and security fund or the rainy day fund or the insurance fund, we all agree such a fund is necessary. Now back in October the Premier said

to the people of Saskatchewan, “Even with historic tax cuts, even with the largest debt repayment ever, and even with historic investment in infrastructure, we will maintain a balance in the Growth and Financial Security Fund of about \$2 billion.”

My question is to the Premier: when the budget is unveiled today, will we see a balance in the growth and fiscal stability fund of \$2 billion as he promised?

Some Hon. Members: — Hear, hear!

The Speaker: — I recognize the Premier.

Hon. Mr. Wall: — Mr. Speaker, I remember well that day in the fall, Mr. Speaker, when this government was able to announce record income tax relief for the people of the province retroactive to '08, where we were able to confirm a reduction in the province's debt by 40 per cent, where we were able to confirm infrastructure investment for the coming months as a bit of a stimulus and a way to deal with the deficit in infrastructure we inherited. And we did talk about the balance of that particular fund, Mr. Speaker, both in the legislation that prescribes that fund . . . And in the announcement we said we need this money there to ensure that our momentum continues. That's the insurance.

[14:15]

Well, I think there's a combination of things you can do. You can maintain a healthy balance in that fund. Today it's \$1.2 billion; I think that's pretty healthy. You can also use it for stimulus to provide a booster shot against some of the very things the member said in his earlier question that is happening to the province's economy as a result of the global recession.

So we've taken that action in terms of a half billion dollar stimulus in infrastructure. We've taken action in terms of tax reduction. And in fiscal probity that means balanced budgets for this province that I predict will be on the national news later this day right across the country, Mr. Speaker.

Some Hon. Members: — Hear, hear!

TABLING OF ESTIMATES AND SUPPLEMENTARY ESTIMATES

The Speaker: — I recognize the Minister of Finance.

Hon. Mr. Gantefoer: — Thank you, Mr. Speaker. Mr. Speaker it is my pleasure to submit the estimates and supplementary estimates accompanied by a message from His Honour the Lieutenant Governor.

The Speaker: — I would ask the members and our guests to rise for the message from His Honour the Lieutenant Governor.

The message is as follows:

The Lieutenant Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 2010, and supplementary estimates March 9, no. 2, of certain sums required for the service of the province for 12 months ending March 31,

2009, and he recommends the same to the Legislative Assembly. The Honourable Gordon L. Barnhart, Lieutenant Governor, province of Saskatchewan.

Please be seated. I recognize the Minister of Finance.

Some Hon. Members: — Hear, hear!

MOTION FOR APPROVAL OF BUDGETARY POLICY (BUDGET DEBATE)

Hon. Mr. Gantefoer: — Thank you very much, Mr. Speaker, and colleagues. Today, Mr. Speaker, I welcome some very special guests in this Chamber for our government's second budget presentation. First and foremost I would like to introduce my wife Carole who is just escorting one of our other guests into the Chamber. Carole of course is always there steadfastly as my best friend and an unfailing confidante — and critic as well. And I would like to thank her very, very much.

Sitting next to Carole . . .

Hon. Members: — Hear, hear!

Hon. Mr. Gantefoer: — Sitting next to Carole is Bill and Shirley Chyz from Watson, Saskatchewan. Bill is here, much to his dismay, because of his age, that he didn't have a choice of leaving Canada during the war. He served in the infantry in both Saskatchewan and Manitoba, and it's a pleasure to have both of them here today.

Hon. Members: — Hear, hear!

Hon. Mr. Gantefoer: — Jack and his wife Velma Booker are from Star City, Saskatchewan. Jack joined the Royal Canadian Air Force in 1943. He trained as a navigator in Portage la Prairie, Edmonton, and Regina. After graduating he was held on reserve in Three Rivers, Quebec, commando division. It is interesting to note that Jack's three brothers served in the artillery as well as Velma's father and two brothers. We welcome them here today.

Hon. Members: — Hear, hear!

Hon. Mr. Gantefoer: — Rosco and Doris Long from Lac Vert, Saskatchewan. Rosco was a part of the Army 2nd Canadian Infantry Division, the 6th Brigade Battalion, Queen's Own Cameron Highlanders of Canada. He served in Normandy in 1943 with the division unit. He returned to Canada in 1945 after a number of months in the occupation of the Netherlands. Rosco has written a book entitled *Life in the Canadian Army 1942-1946*. We welcome them here as well.

Hon. Members: — Hear, hear!

Hon. Mr. Gantefoer: — Thank you, Mr. Speaker, these veterans and their wives represent all of the men and women over the years who have and are putting themselves in harm's way to defend the freedom of our country that we so value. Their sacrifices allow us to stand in this legislature and freely give voice to our principles, dreams, and aspirations that we have for our citizens.

Mr. Speaker, I ask all members to join me welcoming them here today and thanking them for all that they have done for our province and our country.

Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — Mr. Speaker, I see that Mr. Tom Morton has just joined us from Quill Lake, and if I could briefly introduce him. He joined the Canadian Air Force in 1941, stationed at #12 line school in Brandon, Manitoba, as an aero engine mechanic. In 1943, he re-mustered to the air crew in Monjeau, Quebec, then Bomb Gunnery School in Pat Bay, BC [British Columbia], where he graduated from flight engineering in 1943. He was then posted to Torbay, Newfoundland, serving with the 106 Bomb & Reconnaissance Squadron. And I thank him for being here today as well.

Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — Mr. Speaker, today it's my honour and privilege as the Minister of Finance to present our government's second provincial budget to the people of Saskatchewan.

This provincial budget comes at a time of global recession, a complete 180 degree shift from one year ago. The tides began to turn last fall when the US [United States] housing crisis tipped the global economy into a free fall. The world economy is shaken and we can spot damage from every vantage point. To the east, to the south, and even west of our borders, economies are shrinking, jobs are being lost, and governments are plunging into deficit.

Here in Saskatchewan we're not immune to the economic turmoil. We have felt the effects, but compared to what is going on in the rest of the world, Saskatchewan has a different story to tell. At a time when others are experiencing economic decline, we are forecasting economic growth. While others are shutting down factories and cutting their workforce, we're looking for workers and showing an increase in employment. While others are lamenting lack of opportunity and are mulling greener pastures, more people are moving to Saskatchewan and our population is growing.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — So we're optimistic but cautious. Our economy is strong. The job of this government and the job of this budget is to make sure that it stays that way. Even before this budget, even before the full effects of the recession were being felt throughout the world, our government was taking action to prepare for what was the coming storm. We cut taxes. We invested in infrastructure. We provided economic stimulus and funded shovel-ready projects before these became the buzzwords of governments throughout North America.

And it appears to be working. In a recent economic outlook, the Conference Board of Canada predicted, and I quote, "massive income tax cuts, combined with a swift increase in infrastructure spending" will help keep Saskatchewan out of recession and give our province the highest growth rate of any province in Canada in 2009.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — But even more important than economic forecast and predictions about GDP growth is the fact that these measures will help Saskatchewan people. This year a family of four with a combined income of \$60,000 or more will save over \$1,700 in tax cuts and benefit increases. A family of four with \$35,000 income will save over \$2,600. A single parent of two school-aged children and a \$35,000 income will save more than \$2,800. And a senior couple with a \$25,000 income will save nearly \$2,200. And putting more money back into the hands of Saskatchewan people will keep our economy strong.

Our government also believes in paying down debt. When mighty financial institutions abroad were collapsing under the weight of their debt load, our government announced we were cutting the province's debt by \$2.6 billion — almost 40 per cent.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — That means less money leaving our province in interest payments and more money that will stay in Saskatchewan to help build our province. And we are, in a very real sense, building our province.

Last spring we announced the \$1 billion ready-for-growth initiative — the largest investment in infrastructure in Saskatchewan's history. And last fall the Premier announced we were going to increase our investment in infrastructure to \$1.5 billion in 2009. \$500 million of this investment was unveiled last month in our economic booster shot — better schools for our children, better long-term care facilities for our seniors, better municipal infrastructure for our communities, safer highways for our drivers, more affordable housing for those in lower incomes, and more jobs to build each of these much-needed projects.

The record tax cuts for Saskatchewan people, the record investment in the ready-for-growth initiative, have helped keep our economy strong and steady. And today we take the next step. I think every other Finance minister in the country would be delighted to be standing in my shoes today and be able to say the following — our new budget is a balanced budget.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — This new balance is built on strong but cautious revenue estimates. We don't expect to see the massive jump in provincial revenues that we enjoyed last year. However, this year we're expecting revenues to be up by \$1.3 billion from the 2008-2009 budget estimate. Still, even using cautious estimates, we're able to move forward on many important initiatives and fulfill our campaign commitments within a balanced budget.

Here in Saskatchewan, education property taxes have been too high, for too long. That's why, during the 2007 campaign, the Premier and our party promised a long-term solution to this problem. He promised a solution based on three principles: a fair balance for education funding, ensuring that K to 12 [kindergarten to grade 12] education was properly funded, and a

significant reduction in the education portion of property tax. Today, we're keeping that promise.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — Under the new system, the province will cut and cap education property tax rates for each of the three major property classes: residential, agricultural, and commercial. The overall amount of tax paid by property owners to fund education will be reduced by \$103 million or 14 per cent in 2009, compared to last year.

This represents the largest education property tax cut in a single year in the province's history.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — In turn, the provincial government will increase its share of funding to school divisions by just over \$240 million this year. As a result, the province will fund about 63 per cent of the operating cost of pre-K [pre-kindergarten] to grade 12 education, up from last year's provincial funding of 51 per cent. The educational property tax will be further reduced by a further \$53 million next year, with the province assuming an offsetting share of the funding. At that point, the provincial government will be funding about 66 per cent, two-thirds of the cost of education.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — The actual amount of property tax relief will vary greatly from school division to school division and from property to property. That's because today we have a patchwork quilt of education tax rates across the province. People in some parts of Saskatchewan are paying much higher education tax rates than people in other parts of the province.

It would be like paying a different PST [provincial sales tax] rate every time you went to a store in a different town. As we move to a fairer system and uniform rates across the province, those who are paying disproportionately high education taxes under the old system will see a larger tax cut. The vast majority of Saskatchewan property owners will pay less education tax under the new system. Clearly, Mr. Speaker, today's announcement fulfills the Premier's commitment to a fair balance for education funding to properly fund education and to significantly reduce the education portion of property tax.

[14:30]

And that's not all. Our government will continue to improve the competitiveness of Saskatchewan as a place to do business. This budget will introduce a progressive three-rate structure to determine the education property tax on commercial property so that small businesses will pay a lower mill rate. Mill rates will be applied consistently across Saskatchewan to promote equity for all businesses, while meeting the government's tax relief commitment.

The report prepared by the member for Rosetown-Elrose formed the basis of today's announcement. I would like to thank . . .

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — I would like to thank that member and the Deputy Premier, the Minister of Education, for countless hours of hard work in developing this new budget and new balance for education funding in our province.

Mr. Speaker, during the 2007 campaign, the Premier made another important commitment to Saskatchewan municipalities. He said our government would introduce a new revenue-sharing deal with municipalities tied to the province's own-source revenues. Today we are keeping that promise. In this budget, we're introducing a new municipal operating grant program. This program will provide funding support equal to 90 per cent of 1 per cent point of the provincial sales tax. This is the first step in our plan to provide municipal operating grants based on one full point of the PST. We'll bump it to a full one percentage point next year.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — In this budget, municipalities will receive nearly \$170 million to continue fixing sewer systems, upgrading streets, improving parks, and enhancing public buildings. And that's on top of the \$100 million in one-time municipal infrastructure funding the Premier announced last month. This is what municipal leaders wanted — to tap into a predictive revenue source — and it's what we have delivered.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — Last year we announced \$1 billion in our ready for growth plan to rebuild schools, improve hospitals and health facilities, upgrade roads and highways. We said, let's get to work. Last month we announced a \$500 million economic booster shot to get dollars flowing swiftly to our municipalities, our communities, our people. They put these much-needed infrastructure dollars directly into the hands that needed it — the hands that swing the hammers, that dig the dirt, that keep our economy moving forward every day. But we aren't finished yet. There's still more to do.

Today our government is dedicating another \$1 billion to keep building on what we've already begun to keep our province moving forward strong and steady. This \$1 billion will fix more roads and more schools and health care facilities. It'll expand child care centres in Saskatchewan and improve our post-secondary system. And this \$1 billion investment will create more affordable housing and a better life for all Saskatchewan people.

This additional funding brings us to \$2.5 billion in capital funding in just two years.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefer: — This is a solid investment that'll pay off many dividends in the future. When it comes to new buildings, new roads, new facilities, these amenities are wonderful. But what matters most is the people that they serve. That's why our government will invest in our infrastructure system and our people.

Our government balanced budget will also support and enhance key priorities and key programs for Saskatchewan people. We're building on our promise for stronger, safer communities. Our government will continue to take action to crack down on crime. This year we'll hire 30 more police officers to add to the 30 new officers we added last year, steadily working toward our commitment of 120 new officers by 2012.

We're building on our promise to get tough on gangs. Gang violence in Western Canada is a serious problem. Our government will deliver funding for a Western Canadian gang database to share knowledge on criminal activities.

Our government will build on our promise to reach out to the most vulnerable in our society. Our government will continue to address wait-lists in the community living division by expanding these facilities and creating more spaces for those with disabilities. We provide over \$27 million in additional funding for community-based organizations.

This year's budget will support firefighting efforts up north by dedicating nearly \$30 million to continue modernizing the water bomber fleet. And we'll equip volunteer fire departments across the province with new radios linking them to the new provincial emergency radio network.

Our government is building on our promise for a better life for all Saskatchewan children. We're creating 1,000 new child care spaces in Saskatchewan for children of parents who work outside the home.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefoer: — And over \$12 million is added funding which will go toward space expansion, training programs, and increased pay for early learning and child care workers.

We're delivering on our promise to provide \$18 million for the active families benefit, to help parents that enrol their children in healthy, engaging activities. Our government will launch a multi-year \$25 million strategy to give attention to our youngest citizens at risk. And we're taking one more important step for the children of our province. Today I am pleased to announce that we will deliver on our province for a new children's hospital in Saskatoon.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefoer: — \$200 million over two years will be provided for construction in this facility, dedicated to the health and well-being of Saskatchewan's youngest citizens.

We're building on our province to invest in education and skills training. We'll dedicate over \$23 million to enable universities to limit tuition increases to an average of just 3 per cent.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefoer: — This budget will enhance our student aid program to make education more accessible to those whose minds are rich with unlimited potential and thirst for knowledge. And our government will continue to ensure that

eligible post-secondary students have the opportunity to have up to \$20,000 in tuition reimbursement through the most aggressive youth retention plan in Canada, our graduate retention program.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantefoer: — Funding for this program will be increased by \$6.5 million this year to reflect the growing number of post-secondary graduates who will qualify by simply choosing to start their careers and build their lives in Saskatchewan.

Our government is building on our promise to support more training seats for doctors and nurses. We'll provide \$23 million this year on a comprehensive plan to attract more nurses and other hard-to-recruit health professionals to Saskatchewan and keep them here. This budget will also provide more funding to recruit more physicians to our province.

To broaden the scope of opportunities in Saskatchewan, we're building on our promise to invest in an Aboriginal workforce development fund. This program highlights new employment opportunities for those of First Nations and Métis heritage. Our government will invest in a new regional college buildings in Nipawin and Humboldt to ensure distance does not hinder the chance to further one's education. We'll also improve funding for our library system so it'll continue to be an up-to-date resource for all our citizens.

We'll dedicate increased funding to advance the InterVac project at the University of Saskatchewan. Our people at InterVac are considered world leaders in the field of vaccination technology, striving to make breakthroughs in vaccines for people and animals. We're proud of their efforts and their achievements.

This budget will follow through on the increase of 1,100 apprenticeship training seats. We'll build on our promise to pilot new health initiatives to better care for our people. We'll introduce a three-year plan to encourage people to quit smoking, especially our youth, before the grip of addiction can take hold.

Our government will continue to fund a study that combines stroke prevention and proved rehabilitation methods. And we'll support improved infection control measures through regional health authorities. We'll develop a province-wide mental health strategic plan to assist those struggling with overwhelming symptoms and illnesses too often dismissed because they can't be easily seen.

And plans are under way for new First Nation and Métis consultation and health plan. We're building on a promise to keep our economy strong. This budget delivers on our province to dedicate millions towards improving our road and highway network across the province. With federal partnership, twinning efforts will be stepped up on the busy lanes of Highway 11 between Saskatoon and Prince Albert to be completed in just four years.

A new bypass road to connect Highways 1 and 11 will be constructed outside of the Queen City. This will support the

tremendous development around a new container shipping facility — the global transportation hub.

This budget will provide for a new bridge at St. Louis, a Lewwan Drive interchange in Regina, and a truck bypass in Yorkton.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantfoer: — We are fixing what was once voted the worst highway in Saskatchewan, and providing funding to upgrade Highway 368 near St. Brieux to provide . . .

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantfoer: — To provide the safe and solid road that residents, the local industry have wanted and needed for years. We're building Highway 32 near Leader. Over \$40 million . . .

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantfoer: — Over \$40 million will help rehabilitate municipal roads to better support the heavy traffic of a growing economy.

We're building on our promise to enhance the Saskatchewan research and development tax credit, making it fully refundable to provide financial support and incentives to the leaders in innovation in our province. This will help . . .

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantfoer: — This will help bridge the financial gap between initial research and commercial development. And this budget will also attract investments in Saskatchewan-based small- and medium-sized business.

A tax credit that supports the federal labour-sponsored venture capital corporation will be increased to match the existing rates for similar provincial funds. Our government will continue to support those who enhance and diversify our economy. We'll support an enterprise regions program that encourages regional economic development, and we'll support a western-based partnership agreement, also designed to encourage economic growth right here in Saskatchewan.

Our government will expand and broaden its reach by creating northern enterprise regions to support economic development in the far North districts of our province. We're building on our promise to improve support programs for farmers and ranchers — over \$100 million of new dollars to fulfill our promise to fully fund our share of the AgriStability and AgriInvestment programs . . .

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantfoer: — And another \$25 million to fulfill our commitment to improve crop insurance for farmers. We'll broaden our pest management control programs. We'll launch a water study to ensure Saskatchewan people have access to this basic necessity of life for today and for tomorrow.

We're building on our promise for a greener Saskatchewan.

We'll continue to support innovations in the capture and storage of CO₂ emissions. This year alone we'll commit over \$17 million towards these and other key go green initiatives.

We're building on our promise to keep life affordable. Our government will begin an ambitious project to renovate government-subsidized rental housing by making these units more environmentally friendly, energy efficient, and yet still affordable. Millions of dollars in funding will better adjust shelter rates for income assistance programs. We'll also increase transit support for the disabled, and we're building on our promise to help senior citizens by increasing monthly support to seniors to help them cover rising costs.

Today our government has set a course for a strong and steady Saskatchewan. After so many years of losing people to other provinces, after so many years of trailing the pack, Saskatchewan's time has come.

Some Hon. Members: — Hear, hear!

Hon. Mr. Gantfoer: — There are those who have said that Saskatchewan today is an economic star of our country. If that is the case then let's make sure it's the right kind of star. Not a shooting star burning bright for an instant and then fading away, but let us be a North Star, the one that you can set your compass by. Strong and steady, Saskatchewan will navigate through the choppy waters ahead. By sticking to a solid economic plan, by remaining sound fiscal managers, we will stay on course.

[14:45]

We will stay strong and steady through meaningful tax reductions, like the largest education property tax cut in Saskatchewan history. We'll stay strong and steady through meaningful infrastructure projects, which keep our province working and keep our economy moving forward. We'll stay strong and steady through meaningful investments in Saskatchewan people, in families, in students, in children, in seniors, in First Nations and Métis people, in those from rural and urban Saskatchewan. Because when you think about it, where does this province get its strength? Really, that's easy. The answer is right in the province's motto — from many peoples, strength.

Today I'm honoured to deliver a budget that builds on the strength of the people, all of the people, of our great province. And while I'm sure we'll face some challenging days ahead, is there anywhere on earth that you would rather be living today than our Saskatchewan — the best province in the best country of the world.

And so, Mr. Speaker, I'm proud to move, seconded by the member from Rosetown-Elrose:

That this Assembly approves in general the budgetary policy of the government.

Some Hon. Members: — Hear, hear!

The Speaker: — It has been moved by the Minister of Finance, seconded by the member from Rosetown-Elrose:

That the Assembly approves in general the budgetary policy of the government.

Is the Assembly ready for the question?

Some Hon. Members: — Question.

The Speaker: — I recognize the member from Regina Douglas Park.

Mr. Van Mulligen: — Thank you very much, Mr. Speaker. Let me at the outset say some, I'm sure, remarks that will be welcome, but I'm going to make some very brief remarks, Mr. Speaker.

Mr. Speaker, a house is only as solid as its foundation, and so it is with budgets. A key component of the foundation for a solid budget is the government's economic outlook. That is the government's outlook of growth, forecast for growth in our gross domestic product or GDP. Strong economic growth means strong growth in revenues to support spending in the budget. Little or no economic growth means weak revenues. It may even trigger increased expenditures.

It is the practice in Saskatchewan for the provincial government to provide a forecast of GDP growth and to publish the forecast that had been provided by private sector forecasters. All of this information is in our budget documents. Usually the GDP forecast by the government and the private sector are similar. One may be a little higher or lower, but on balance they're pretty much the same.

This year, for the first time in a very long time, we see a dramatic difference between private sector GDP growth forecast and the government's own growth forecast. In the budget documents where the private sector is projecting GDP growth of 1 per cent for Saskatchewan this year, the provincial government is projecting GDP growth of 2.1 per cent — double the growth being forecast by the private sector.

But, Mr. Speaker, it gets even worse. Since the government completed its internal consideration of the budget before it put it to bed, so to speak, private sector forecasters have continued to scale back their growth projections. Now the average private sector forecast is point six three per cent. The government's growth forecast is now more than three times that of the private sector.

History tells us, Mr. Speaker, there is a lag effect between the onset of recessionary trends in the United States and the rest of Canada, and the onset of recessionary trends here in Saskatchewan. Given what is taking place in the world economy, this is a time for the government to be cautiously optimistic, not blindly optimistic.

Mr. Speaker, in this budget there's another set of economic assumptions that need to be questioned. Here I speak of revenues from potash in Saskatchewan. Twenty per cent — 1 in \$5 of all of the revenues in this budget — come from potash royalties and related surcharges. That's a huge number. And when so many eggs are placed in one basket, Mr. Speaker, we need to be careful.

When we turn to the budget summary, we see the government is projecting potash production this year of 10.3 million tonnes. Since the budget went to print, the Potash Corporation of Saskatchewan has said it will reduce its production by a further 1.5 million tonnes. And that, Mr. Speaker, is a further 10 per cent cut in production. And what confidence should Saskatchewan people place in the government's potash revenue projections, especially since this now amounts to 20 per cent of all our revenue?

Mr. Speaker, the flip side of revenue is expense. I note that the total spending in this budget is 12.4 per cent — that's right, 12.4 per cent — higher than in last year's budget. And last year's increase in spending was 10 per cent over the previous year. And that's a 22.4 per cent increase in spending in two years. That kind of increase in spending, Mr. Speaker, is not sustainable.

Mr. Speaker, a few words about debt. I note that the government is projecting to increase, increase public debt by 36 per cent over the next four years. Not only is it growing in actual terms, the debt is also projected to grow at a higher rate than the economy. Debt is increasing as a percentage of GDP, growing faster than the province is growing. Given our history of indebtedness, Mr. Speaker, in Saskatchewan, this should concern us.

Mr. Speaker, wild revenue assumptions, out-of-control spending, and a mounting debt problem, this budget is all about short-term gain for long-term pain. And some people aren't getting their short-term gain. If you're a single mother making less than \$25,000, the government's own inner-city comparison suggests you're worse off under this budget than you were last year.

I worry, Mr. Speaker. I worry that this government can't help themselves when it comes to spending money. I worry that the private sector forecasters are right and that the Saskatchewan Party is wrong. I worry that they have gambled on potash and will come up short. I worry that they are not helping the most vulnerable in our province. I worry that spending initiatives today will not be affordable tomorrow. And I worry that the government is just not up to the job.

In conclusion, Mr. Speaker, the government would have you believe that this budget is strong and steady. We think this budget is wrong already.

I will have more to say on this tomorrow, Mr. Speaker, but at this point I move to adjourn debate.

Some Hon. Members: — Hear, hear!

The Speaker: — The member from Regina Douglas Park has moved adjournment of debate. Is it the pleasure of the Assembly to adopt the motion?

Some Hon. Members: — Agreed.

The Speaker: — Agreed. Carried.

I recognize the Government House Leader.

Resumption of Budget Debate

Hon. Mr. Gantefoer: — Thank you, Mr. Speaker. I move:

That debate on the motion that the government approves in general the budgetary policy of the government be resumed on Thursday, March 19, 2009.

The Speaker: — It has been moved by the Minister of Finance:

That debate on the motion that the Assembly approves in general the budgetary policy of the government be resumed on Thursday, March 19, 2009.

Is it the pleasure of the Assembly to adopt the motion?

Some Hon. Members: — Agreed.

The Speaker: — Agreed. I recognize the Government House Leader.

Hon. Mr. Gantefoer: — Thank you, Mr. Speaker. I move that this House do now adjourn.

The Speaker: — Before I place the question on adjournment, I want to first of all say thank you to our guests who've joined us today, and for your co-operation in observing the rules of the Assembly.

Some Hon. Members: — Hear, hear!

The Speaker: — And now I would like to extend an invitation to our guests and to members to join us for tea in the library — if you leave the Assembly to your right, down the hall, the library room, or to your left in room 218.

At this time I place the question. The Government House Leader has moved that this House do now adjourn. Is it the pleasure of the Assembly to adopt the motion?

Some Hon. Members: — Agreed.

The Speaker: — Agreed. This Assembly stands adjourned until tomorrow morning at 10 a.m.

[The Assembly adjourned at 14:56.]

CORRIGENDUM

On page 2282 of *Hansard*, No. 33A Monday March 16, 2009, in the left column, second last paragraph spoken by Hon. Mr. Hickie, the second sentence reads, “The NDP did not get any information from escape reports when they formed the government, Mr. Deputy Speaker.”

The sentence should read, “The NDP did not vet any information from escape reports when they formed the government, Mr. Deputy Speaker.”

We apologize for this error.

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