



SECOND SESSION - TWENTY-SIXTH LEGISLATURE

of the

**Legislative Assembly of Saskatchewan**

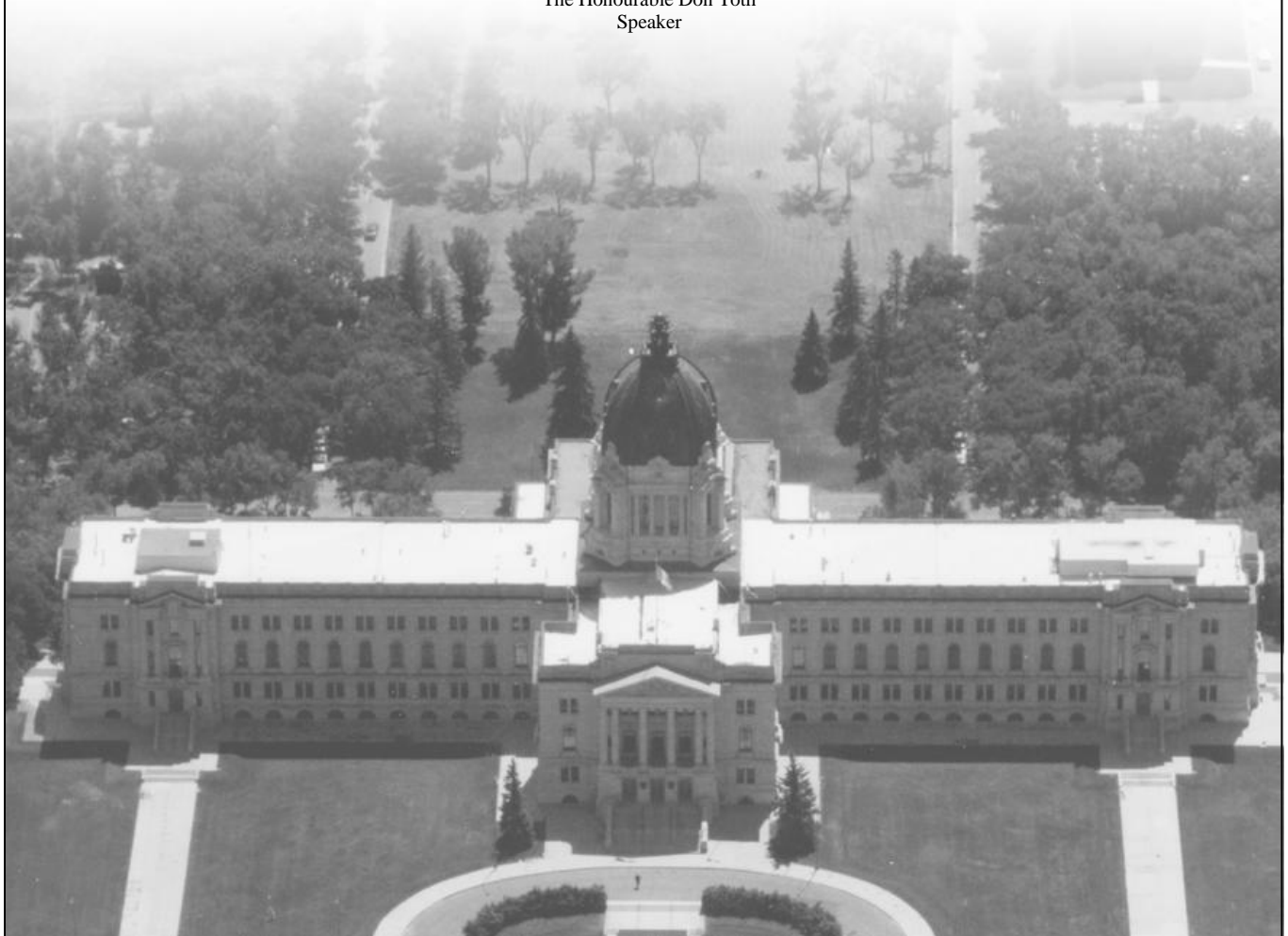
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**DEBATES  
and  
PROCEEDINGS**

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(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

<b>Name of Member</b>	<b>Political Affiliation</b>	<b>Constituency</b>
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
Chisholm, Michael	SP	Cut Knife-Turtleford
D'Autremont, Hon. Dan	SP	Cannington
Draude, Hon. June	SP	Kelvington-Wadena
Duncan, Dustin	SP	Weyburn-Big Muddy
Eagles, Doreen	SP	Estevan
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
Harrison, Jeremy	SP	Meadow Lake
Hart, Glen	SP	Last Mountain-Touchwood
Heppner, Hon. Nancy	SP	Martensville
Hickie, Hon. Darryl	SP	Prince Albert Carlton
Higgins, Deb	NDP	Moose Jaw Wakamow
Hutchinson, Hon. Bill	SP	Regina South
Huyghebaert, Yogi	SP	Wood River
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 10:00.]

[Prayers]

#### ROUTINE PROCEEDINGS

**The Speaker:** — Before I call for introduction of guests, I want to inform the members that Mr. Olajuwon Ebenezer, legislative officer in the Lagos State House of Assembly, will be a guest Clerk at the table today. He's seated to the right of Mr. Putz.

**Hon. Members:** — Hear, hear!

**The Speaker:** — I would also like to inform the members of the presence of the Hon. Peter Milliken, Speaker of the House of Commons; Mr. Andrew Scheer, Deputy Speaker of the House of Commons; and Mr. Anthony Carricato, events coordinator, Office of the Speaker, who have again joined us today.

**Hon. Members:** — Hear, hear!

#### INTRODUCTION OF GUESTS

**The Speaker:** — I recognize the member from Yorkton.

**Mr. Ottenbreit:** — Mr. Speaker, to you and through you to all the members of the Assembly, I'd like to introduce two very special people to me. And I could really echo the comments of the Minister of Finance yesterday when referring to his wife, and I think all members in here could probably refer to their spouses in like. My wife Leone, seated in your gallery, and along with her my sister-in-law Terri Wiwchar from Saskatoon who has come down for the budget yesterday and came to watch proceedings today. So I'd like all members to welcome them to this Assembly.

**Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister of Agriculture, the member from Melville-Saltcoats.

**Hon. Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, in your gallery I'd like to introduce Dave Marit, President of SARM [Saskatchewan Association of Rural Municipalities]. But I also appreciate the working relationship we have with SARM, and Dave has also worked on our water program and a number of projects in the province. And we really appreciate the work that he does for this province. I'd ask all members to welcome him here today.

**Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the member from Cut Knife-Turtleford.

**Mr. Chisholm:** — Thank you, Mr. Speaker. It's a pleasure today to introduce once again to this Assembly in the west gallery my wife, Heather and her very good friend, Gill Churn. And the thorn — Lorne, sorry — a good friend of mine from Swift Current, a cutting-horse enthusiast, farmer extraordinaire, Lorne Carefoot from Swift Current. Thank you.

**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 to present a petition on behalf of senior citizens in Saskatchewan who are finding it increasingly difficult to find options for suitable housing, and that more affordable housing options would significantly help Saskatchewan seniors cope with the cost of living, and especially for those living on fixed incomes. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Legislative Assembly may be pleased to cause the government to act quickly as possible to expand affordable housing options for Saskatchewan's senior citizens.

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

Mr. Speaker, I so present on behalf of Saskatchewan residents.

**Some Hon. Members:** — Hear, hear!

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

**Mr. Forbes:** — Thank you, Mr. Speaker. I rise to present a petition calling for wage equity for CBO [community-based organization] workers. We know that on average these folks are paid 8 to \$10 an hour less than employees performing work of equal value in government departments. Mr. Speaker, 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 all over the province including Southey, Regina, Zenon Park, Carrot River, Kelvington, St. Brieux, and Melfort, Saskatchewan. Thank you very much, Mr. Speaker.

**Some Hon. Members:** — Hear, hear!

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

**Mr. Taylor:** — Thank you, Mr. Speaker. I rise today to present a petition in support of a new Saskatchewan Hospital. Mr. Speaker, the petitioners note that the existing nearly 100-year-old structure is in much need of replacement.

Mr. Speaker, the petitioners ask:

... that the Legislative Assembly 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 the Prairie North Regional Health Authority with the authority necessary to complete this essential and much-needed project.

Mr. Speaker, the petitioners are from the city of North Battleford and the town of Battleford. Thank you, Mr. Speaker.

**Some Hon. Members:** — Hear, hear!

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

**Mr. Broten:** — Thank you, Mr. Speaker. I stand today to present a petition in support of fairness for students in Saskatchewan 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 as well as students from the University of Regina, as well as a number of health care professionals who hold graduate degrees. I so present.

**Some Hon. Members:** — Hear, hear!

#### STATEMENTS BY MEMBERS

**The Speaker:** — I recognize the member from Regina Qu'Appelle Valley.

#### International Day for the Elimination of Racial Discrimination

**Ms. Ross:** — Mr. Speaker, I rise in the House today to announce that this Saturday, March 21 is International Day for the Elimination of Racial Discrimination. This day was proclaimed by the United Nations in 1966. Each year on this date, events are held throughout the world drawing attention to the harmful impacts of racial discrimination. These events encourage people to embrace respect, equality, and diversity which contribute to racial harmony.

Mr. Speaker, the International Day for the Elimination of Racial Discrimination is also important because it reminds us about the destructive nature of racism. Racism prevents individuals and groups from achieving their potential. We must work together to make our homes, communities, and our province inhospitable to racist attitudes. We must build a shared future that is free from discrimination and founded on mutual trust and respect.

Saskatchewan is a province on the road to long-term prosperity, with a bright future for the current and future generations. Our government's vision is of a secure and prosperous

Saskatchewan, leading the country in economic and population growth while providing opportunities for a high quality of life for all.

Mr. Speaker, racism can only serve to destroy this vision. We must remember to celebrate and enjoy the rich cultural tapestry that makes this province truly a place to live. Thank you, Mr. Speaker.

**The Speaker:** — I recognize the member from Regina Dewdney.

#### Spring Free From Racism

**Mr. Yates:** — Mr. Speaker, international day for the elimination of racism is observed annually on March 21. Racism involves aggression, antagonism, and intimidation directed toward people perceived to be members of a social group on the basis of physical characteristics, notably skin colour.

In Regina well over 3,000 people gathered this past Sunday, March 15 to attend the 10th annual Spring Free From Racism event organized around the theme of eliminating racism. The event featured over 40 different performances from various cultural performers and groups, cultural displays, and many craft booths. In the words of the organizing committee, the vibrant and diverse Spring Free From Racism event offers the community of Regina a setting to acknowledge our racial past, recognize the pervasiveness of racism today, and commit to a future in which all people in Saskatchewan are treated equally and fairly.

Mr. Speaker, I acknowledge the hard work and dedication of the Spring Free From Racism Co-Chairs, Barb Dedi and Lucian Rosca, and all those who made this event such a great success.

On the occasion of the international day for the elimination of racism, New Democrats renew their commitment to build a society where dignity and justice replaces the hurt and fear of racism.

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the member from Saskatoon Sutherland.

#### 2009 International Day of the Francophonie

**Ms. Schriemer:** — Merci, Monsieur le président. Monsieur le président, demain, le 20 mars, nous célébrons le jour international de la Francophonie. Chaque année, ce jour, les personnes à travers le monde célèbrent le lien commun de la langue française et de la diversité.

[Translation:] Mr. Speaker, tomorrow, March 20, is International Day of the Francophonie. Every year on this day, people around the world celebrate the common bond of the French language and diversity.

As one of the founding members of the international organization of Francophonie in 1970, Canada will join almost 70 French-speaking states and governments from around the

world to promote Francophonie.

Mr. Speaker, we are not only celebrating the heritage of over 9 million Canadian francophones, but the current vitality of francophone cultures, specifically of that here in Saskatchewan. Mr. Speaker, I am proud to come from a province where the francophone community contributes to our growth and strengthens our province. Through collaboration on programs in areas like immigration, employment, economic development, and education, the Fransaskois have demonstrated their commitment to their community and to Saskatchewan.

J'encourage chacun à considérer les contributions significatives de la Francophonie en Saskatchewan et à célébrer la diversité de nos citoyens de la langue française.

[Translation:] I encourage everyone to reflect on the significant contributions of the Francophonie in Saskatchewan and help to celebrate the diversity of French-speaking citizens.

Thank you.

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the member from Prince Albert Northcote.

#### **Shamrock Irish Dancers Perform in Prince Albert**

**Mr. Furber:** — Mr. Speaker, in honour of St. Patrick's Day, the Shamrock Irish Dancers of Prince Albert held their annual dance event, An Eve in Ireland. The dancers showed off their skills at the A.E. Rawlinson Centre in a two-hour program that was filled with skill and lively, fast-moving dance steps.

Mr. Speaker, it's believed that the first practitioners of Irish dancing were Druids who danced in religious rituals. Dance clubs around the world continue to teach and perform this traditional dance today. It's a very strenuous dance, and new dancers must work very hard to get the technique right because it's a detailed and specific form of dance. Of course St. Patrick's Day is a special day for Irish dancers.

The special costumes worn by today's Irish dancers commemorate the clothing of the past. Dancers are modelled on the Irish peasant dress worn 200 years ago and are often adorned with hand-embroidered Celtic designs.

Each year the Shamrock Irish Dancers of Prince Albert host this event as a way of raising funds. These funds are used to send its dancers who qualify to the North American championships and world championships.

Mr. Speaker, the dancers and their instructors spend many hours preparing for the St. Patrick's Day event. And I ask that all members join with me in congratulating Joanne Brydges, coordinator of Eve in Ireland, and to all the dancers of the Shamrock Irish Dancers of Prince Albert who every year make this event such a successful one. Thank you, Mr. Speaker.

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the member from Carrot River

Valley.

#### **Growth in Saskatchewan's Economy**

**Mr. Bradshaw:** — Mr. Speaker, telling the positive Saskatchewan story continues to pay dividends. United Airlines has announced it will soon offer flights from Regina to Denver. The major international carrier is already flying that route of out Saskatoon. Congratulations to Regina Airport Authority president Jim Hunter and his staff for their hard work. They refused to take no for an answer and their tenacity paid off.

Mr. Speaker, United's decision also follows an opportunity they had to speak with Premier Wall in Chicago last month. When the Premier spoke in Chicago, several United Airlines executives were there, and the story of Saskatchewan's growing economy left quite an impression on them. Mr. Speaker, our Premier has led the charge in spreading the story of Saskatchewan's strong economy, hard-working residents, and resource riches. This decision by United showcases how strongly that message resonates with the business community around the world.

A recent poll showed that Saskatchewan residents continue to have confidence in our province's economy. Over 77 per cent of respondents said that our economy will be in the same shape or better a year from now. Against the negativity that is coming out of regions that are facing trying economic times, it is a welcome sign that Saskatchewan residents remain confident in their province. Our government is taking action to ensure its Saskatchewan economy remains strong and steady. Thank you, Mr. Speaker.

**Some Hon. Members:** — Hear, hear!

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

#### **Z99 Radiothon**

**Mr. Trew:** — Mr. Speaker, what's the radio station that never sleeps, even with a zed in its name? Z99 is that station, and CC, Lorie, and Buzz are celebrating 22 years of saving babies' lives. The Z99 radiothon started at 6 a.m. today and runs non-stop to 6 p.m. Friday, based out of the Cornwall Centre.

The neonatal intensive care unit at the Regina General is developing a procedure room to make babies in need diagnostic and surgical services immediately available. The Z99 radiothon 2009 is raising money to buy critically needed equipment for the NICU [neonatal intensive care unit] procedure room.

My pal — well okay, everybody's pal — CC is enjoying his 22-year love affair with his raging masses, as he calls us. And we the raging masses respond with good feelings, kind thoughts, and hard cash. So far we raging masses, including again this year my colleagues in the legislature and all other donors, have given generously — more than \$2 million and counting. Thanks Rawlco Radio, Z99, CC, Lorie, and Buzz. And mostly, thanks to the raging masses for their generosity.

Friends, the Z99 radiothon is a great event. It's fun, it's serious, it's entertaining, and it's important. CC, Lorie, and Buzz are

giving of themselves. Let's help. Join me in giving to the hospitals of Regina Z99 radiothon 2009. Thank you, Mr. Speaker.

**Some Hon. Members:** — Hear, hear!

[10:15]

**The Speaker:** — I recognize the member from Wood River.

### A Balanced Budget

**Mr. Huyghebaert:** — Thank you, Mr. Speaker. Well, Mr. Speaker, today is a good day for the people of Saskatchewan. Yesterday our government announced what is a rarity in these troubled economic times — a balanced budget.

We kept another promise when we announced the largest ever education property tax cut in Saskatchewan's history. A record investment in infrastructure now stands at \$2.6 billion. There's now a long-term solution for municipal revenue sharing. It is indeed a very good day for the people of Saskatchewan, but with their eyes firmly on the rear-view mirror, members opposite have decided not to share in that opinion. They are calling our balanced and cautious budget a potential train wreck.

Well, Mr. Speaker, let me tell you about a real train wreck. That train wreck happened over 16 years. In that time, thousands of people left Saskatchewan. Saskatchewan had the highest education property taxes in Canada. The government of the day promised to do something about property taxes, then broke that promise. That was followed by the largest tax revolt in this province's history. There were deficit budgets — talk about a train wreck.

Mr. Speaker, this government is looking to the future. Saskatchewan is firmly on track, and we are taking action to ensure it remains there. We are keeping Saskatchewan strong and steady. Thank you.

**Some Hon. Members:** — Hear, hear!

### QUESTION PERIOD

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

### Provincial Debt

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. Mr. Speaker, in the budget that was tabled yesterday, we noted with concern the amount of the provincial debt. Can the Minister of Finance confirm that the total government debt will increase from \$8 billion in the current fiscal year to \$10.9 billion in the year 2013 — an increase of 36.5 per cent?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister of Finance.

**Hon. Mr. Gantfoer:** — Thank you, Mr. Speaker. It's my pleasure to rise and have the opportunity to speak about the

very strong performance of the Saskatchewan economy, and in particular to explain to the member opposite the debt situation in the province. We provided a historic decrease in General Revenue Fund debt from 38 to 40 per cent last year, reducing it to \$4.2 billion. And that is going to remain steady and sure into the future. It will not increase.

What is being increased is debt that is required by the Crowns to fix the infrastructure shortfall that was left this government by the former government.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Gantfoer:** — Mr. Speaker, we have a growth agenda in this government. We want to enjoy the growth of this province. We need to support that growth. And companies that are coming to our province need power, they need electricity, they need energy. They need those things in order to have the growth occurring and sustaining in this province. And we're going to fill that deficit that was left to us by the member's administration.

**Some Hon. Members:** — Hear, hear!

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

**Mr. Van Mulligen:** — I'm sure we can have fruitful discussions, Mr. Speaker, about where debt originated in this province and when it originated.

**Some Hon. Members:** — Hear, hear!

**Mr. Van Mulligen:** — Mr. Speaker, Mr. Speaker, can the minister confirm that in addition to an absolute increase in debt, the debt as a percentage of GDP, the gross domestic product, will grow from 11.9 per cent this year to 14.6 per cent of GDP in the year 2013? In other words, can the Minister of Finance confirm that this budget projects debt to grow faster than the provincial economy?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister of Finance.

**Hon. Mr. Gantfoer:** — Mr. Speaker, Mr. Speaker, it is always interesting to hear the comments of the member opposite who occupied the office that I now have. And it would seem that he occupied it without understanding the realities of the finances of the province.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Gantfoer:** — Mr. Speaker, Mr. Speaker, it is absolutely a necessary thing that has to happen in terms of improving the infrastructure of the Crowns — that we have to do capital expansions and that requires capital financing. The Crowns as entities are able to liquidate over time and amortize their long-term debt, and so they're treated differently than General Revenue Fund debt.

This government made a very conscious effort, when we had windfall revenues last year, to reduce the General Revenue

Fund debt. And as you can see from the budget estimates, it went from \$6.8 billion to 4.2 in one year under our administration.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Gantefer:** — We're also forecasting that this number of 4.2 is going to stay and remain steadfast going forward. And as I explained earlier, that is absolutely essential to keep the economy going, that we invest in infrastructure.

**Some Hon. Members:** — Hear, hear!

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

**Mr. Van Mulligen:** — Well, Mr. Speaker, Crown utility customers beware. Speaking of explaining, Mr. Speaker, will the Premier be taking out a billboard in the year 2013 to say that he has increased the provincial debt by more than 36 per cent?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister of Finance.

**Hon. Mr. Gantefer:** — Mr. Speaker, there is one thing for sure the member opposite is right about, that our current Premier will be the premier in 2013. Mr. Speaker, and I am sure he will be very proud to highlight the achievements in the economy that have been realized because there's been a government on this side of the House with a growth agenda.

Mr. Speaker, I am interesting in what choices that the member opposite would say that we should not do. Should we not fix the transmission capacity of SaskPower? Should we have not invested in broadband inclusion of all citizens in Saskatchewan? What are the things that you wouldn't do in order to make sure that the Crown revenue, debt remains at its current level?

**Some Hon. Members:** — Hear, hear!

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

### Revenue Projections

**Mr. Van Mulligen:** — Well, Mr. Speaker, we all like to do all kinds of things, but someone has to pay for that. Mr. Speaker, this government is choosing to ignore private sector forecasters and is predicting dramatically higher GDP growth for the province. Private sector forecasters are predicting less than 1 per cent economic growth, point six three per cent to be specific, for the province in 2009. Yet this government is forecasting 2.1 per cent growth in the real GDP.

To the Minister of Finance: what is this government's 2.1 per cent real GDP growth projection based on, and why should Saskatchewan people believe the government, as opposed to private sector forecasting?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — Before I recognize the Minister of Finance, I would like to remind the members, I think the public in general would like to also hear the response from the Minister of Finance. Minister of Finance.

**Hon. Mr. Gantefer:** — Thank you, Mr. Speaker. Mr. Speaker, every year the Ministry of Finance prepares and uses projections in terms of GDP growth going forward. Every year that's done using economic models that are very similar to what models are used by the public forecasters on a national basis. The fundamental difference between those models in the province and the national models is there is a great deal more input that is available on the local provincial scene, because this is exactly what the focus of our modelling is all about.

Mr. Speaker, I have a great deal of faith in the professionalism and the quality of advice that comes from the Ministry of Finance. I find it passing strange that the member opposite wouldn't have that same degree of confidence in the modelling, because it's the same methodology that's been used for a number of years. It's the same professionals. Are you calling into question the professionalism of Finance officials?

**Some Hon. Members:** — Hear, hear!

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

**Mr. Van Mulligen:** — Mr. Speaker, it's very rare to see such a great difference between what the government is projecting and what private sector forecasters are projecting. And, Mr. Speaker, it's troubling to see that difference at this time of economic volatility.

Mr. Speaker, the Saskatchewan Party is projecting potash to generate almost \$2 billion, one-fifth of the provincial revenue in the coming budget. This is an incredibly optimistic projection, considering that the Potash Corporation has just announced a further \$1.5 million tonne cut in production, and market reports since the budget was prepared, market reports also point to changes in price structure, Mr. Speaker. To the minister: did his budget projections take into account the most recent cut in production by PotashCorp?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister Responsible for Energy and Resources.

**Hon. Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, potash revenues are indeed very important to the province of Saskatchewan, and in public statements that the member made yesterday he was just flat out wrong. The fact of the matter is, is that potash revenues are based on sales, not on production as the member said in his statements yesterday. And, Mr. Speaker, either the member knew that and told the people of Saskatchewan something different or he was too incompetent to understand that. And as a former Finance minister, that's absolutely reprehensible.

And, Mr. Speaker, you don't have to take it from me, you don't have to take it from Finance officials, you don't have to take it from Energy and Resources officials as to the accuracy of that.

I've also got in my possession a couple of emails that I received this morning from company officials, potash company officials. "On the question of revenue from potash taxes: The provincial revenue from potash is almost entirely based on the sales of potash not from the production of potash." That comes from the vice-president in charge of finance with Mosaic.

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — Before I recognize the member from Regina Douglas Park, I would also ask members to give the member the opportunity to explain his question without interference. I recognize the member from Regina Douglas Park.

**Mr. Van Mulligen:** — Mr. Speaker, we are accessing public information that has come to light since the budget was finalized a month ago. In this month the economic situation has changed rapidly and it is impacting Saskatchewan. In this month private forecasters have ratcheted down the province's real GDP growth and this is a factor not considered in the budget. This raises questions of budget integrity. To the minister: why should Saskatchewan people have any confidence in the out-of-date economic assumptions in this budget?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister Responsible for Energy and Resources.

**Hon. Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, I also received from the Agrium CFO [chief financial officer], Bruce Waterman, with respect to this potash question:

The current reduction in potash production volumes (due to what we consider a current temporary deferral of potash purchases) will not have a proportionate effect on Saskatchewan government revenues since the primary factor determining the levels of potash tax revenue is the sales . . . of potash, which is . . . internationally determined . . .

That comes from the CFO of Agrium. Mr. Speaker, I think I may be willing to give the member opposite a mulligan on this one, but I doubt very much the people of Saskatchewan will.

**Some Hon. Members:** — Hear, hear!

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

**Mr. Van Mulligen:** — Let me say this again. Private sector forecasters have ratcheted down the province's real GDP growth projections and there's lots of concern in the marketplace about what is taking place in the potash marketplace. I appreciate the fact that the minister and the cabinet did not have the opportunity to incorporate these changes to economic assumptions in the budget. Yet these matters call the budget into question.

So, Mr. Speaker, there is still sufficient time to make changes to the budget before the new fiscal year. We in the opposition are prepared to co-operate with the government in facilitating this. To the minister: will he put forward amendments to the budget

so that a more realistic budget can be considered by this Assembly?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister of Finance.

**Hon. Mr. Gantfoer:** — Mr. Speaker, I certainly appreciate the offer of support and help with the budget from the opposition. I hope that those members over there are also going to vote in favour of the budget when the time comes.

**Some Hon. Members:** — Hear, hear!

[10:30]

**Hon. Mr. Gantfoer:** — Mr. Speaker, I've learned very quickly in this job that if you want to have five economic forecasts, ask four economists. And, Mr. Speaker, the reality is there's a wide range of factors that go into economic forecasting and I have a great deal of confidence in the accuracy of the numbers that come from the Ministry of Finance and the professionals that work in that ministry.

Mr. Speaker, in addition to that, we've made sure that we've built in a fair bit of caution in all of our assumptions. For example, we have oil at 48.75; today it is at \$51. We've put potash in at \$550 a KCl [potassium chloride] US [United States] ton and it is trading higher than that currently. Mr. Speaker, we've also put in some caution in terms of currency exchange rates.

So, Mr. Speaker, even if our finance officials are wrong by half a percentage point, that is \$50 million. Mr. Speaker, our surplus vastly exceeds it.

**Some Hon. Members:** — Hear, hear!

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

### Effect of Budget on Education

**Mr. Wotherspoon:** — Mr. Speaker, an important test of yesterday's announced changes in education funding is whether students in this province receive a quality education. Saskatchewan School Boards Association president, Roy Challis, put it best when he said, I quote, "We have to make sure the boys and girls of this province are served well by these changes." He also noted that currently school boards have the financial flexibility to respond to the needs of their local students.

To the minister: will the quality of children's education suffer because of local school boards no longer having the flexibility to respond to local needs?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister Responsible for Education.

**Hon. Mr. Krawetz:** — Thank you, Mr. Speaker. Mr. Speaker,



the member opposite was in the same profession as I was; we were teachers. And he recognizes the role that teachers play. He recognizes the role that school boards play. He recognizes, I'm sure, that there needs to be dollars provided to ensure that quality education can take place, Mr. Speaker.

Mr. Speaker, it's very evident yesterday's budget, when this government put 241 million additional dollars to fund education, Mr. Speaker, school boards, trustees, teachers, students, parents have been looking forward to this, where in fact now we recognize actual expenditures — not recognized expenditures, actual expenditures. This will allow all of the 29 school boards to move forward with good education policies to ensure that quality education is delivered because, Mr. Speaker, it is the government now that will provide that funding to them.

**Some Hon. Members:** — Hear, hear!

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

**Mr. Wotherspoon:** — It's the school boards, Mr. Speaker, that are concerned about the adequacy of that funding. Mr. Challis was very clear yesterday. He said that when the Saskatchewan School Boards Association met with the member from Rosetown-Elrose, they asked — the school boards — to ensure that they continue to have access to that property tax base. Instead the government decided to strip school boards of their power to determine mill rates, a decision which clearly took the school boards by surprise.

Don Lloyd, a superintendent with Greater Saskatoon Catholic Schools, described the change as “a pretty big shock.”

To the minister: why did the Sask Party not consult with the School Boards Association before deciding to strip them of the flexibility to respond to the local needs of their students?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister of Education.

**Hon. Mr. Krawetz:** — Well, Mr. Speaker, there's been consultation going on for a long time, Mr. Speaker. Mr. Speaker, there were reports that that government commissioned: the Scharf-Langlois report, which was given to them. There was the Ray Boughen report and, Mr. Speaker, I have in my hands a research report by the Saskatchewan school boards trustees, done by Ernie Dawson, a discussion paper that indicated that across Canada, seven provinces, Mr. Speaker, have a system that we introduced yesterday or they have a system where there's 100 per cent funding from the province — seven provinces out of ten.

Mr. Speaker, I have been at meetings with the School Boards Association. I attended meetings with the member from Rosetown to indicate to them that we were considering different models. And, Mr. Speaker, I made it quite clear that the funding for education could be status quo or it could move up to 100 per cent. So, Mr. Speaker, it's not a surprise. There have been consultations with boards of education. There's been consultation with all of the stakeholders and yesterday, Mr. Speaker, this government did something that that government

would not do. And we took a stand and now we will fund education adequately.

**Some Hon. Members:** — Hear, hear!

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

### Education Property Tax

**Mr. Wotherspoon:** — Mr. Speaker, another example of legislate first, consult later. Mr. Speaker, another test of the government's property tax changes is fairness. The Sask Party claims to be sharing the benefits of prosperity with all Saskatchewan people, but it's clear that not all property owners are sharing in those benefits equally. Many homeowners, particularly those in Saskatoon, will be paying more.

To the minister: is this his definition of fairness?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister of Education.

**Hon. Mr. Krawetz:** — Well, Mr. Speaker, I think we made it very clear yesterday when we announced that taxpayers across the province — the vast majority of taxpayers across the province — will see a saving of \$103 million effective January 1 of this year, and next year they're going to see a saving of an additional \$53 million.

Mr. Speaker, we've already discussed in this Legislative Assembly that the short-term rebate program that we introduced last year provided \$156 million of additional funding to individuals. So you add the numbers together, Mr. Speaker — that's over \$300 million of support to property owners.

Mr. Speaker, it's interesting that the Finance critic's quote yesterday from the opposition says this, “Well I think some of the government's initiatives are good initiatives in terms of property tax reduction.”

**Some Hon. Members:** — Hear, hear!

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

**Mr. Wotherspoon:** — Mr. Speaker, the final test of changes to property tax is whether they will meet the commitment made in the Sask Party election. That commitment was to provide homeowners at least \$450 a year in property tax relief. But many homeowners will not be saving \$450 a year. In fact many homeowners, particularly those living in Saskatoon, will be paying more. I wonder where the member from Saskatoon Silver Springs was on this, or all those other Saskatoon members over there, as they're being handed a tax increase.

To the minister: can the Sask Party justify breaking their own promise to Saskatchewan homeowners?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister of Education.

**Hon. Mr. Krawetz:** — Thank you, Mr. Speaker. Mr. Speaker, we made our promise pretty clear. Our promise was that there was going to be an 80 per cent reduction to agricultural landowners. We made a promise that there was going to be a 20 per cent reduction overall to residential owners. Mr. Speaker, we have kept those promises.

Mr. Speaker, we were basing our assessment on our projections on the 2008 assessment. Mr. Speaker, boards of education have applied mill rates for years. Municipalities have taken those mill rates and they have applied mill rate factors — not in the control of the Ministry of Education. The Assessment Management Agency of the province puts forward the assessment rolls, Mr. Speaker, for this year, and there have been very significant changes to assessment for 2009.

But, Mr. Speaker, I ask all people in the province of Saskatchewan, take a look at your 2008 assessment, apply the new mill rate — whether you're in residential or whether you're an agricultural producer — and you will see, Mr. Speaker, that they have indeed achieved the promise of the Saskatchewan Party.

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the member from Saskatoon Nutana.

#### Cost of Living

**Ms. Atkinson:** — Mr. Speaker, the citizens of Saskatoon will be waiting for that \$450 property tax cut.

Mr. Speaker, yesterday's budget revealed that under a Sask Party government, low-income earners are now paying more. According to the government's own budget documents, a single person making \$25,000 per year will pay 13 per cent more to live under a Sask Party government than they did in 2007. Mr. Speaker, according to Stats Canada, the national inflation rate rose to 1.4 per cent and Saskatchewan was almost double at 2.6 per cent.

To the minister: why aren't low-income earners benefiting from the government's creative financing?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister Responsible for Social Services.

**Hon. Ms. Harpauer:** — Mr. Speaker, in a very short period of time — I believe it's been 16 months — we have done a number of significant initiatives to address low-income earners in this province. The tax cut that was done by this government took 80,000 people off of the tax roll.

**Some Hon. Members:** — Hear, hear!

**Hon. Ms. Harpauer:** — In addition, Mr. Speaker, we have the low-income tax credit, which is a cheque going to the low-income people within our province.

For those that have a low-income job, Mr. Speaker, we

increased the Saskatchewan employment supplement as well as the income level of who qualifies. Mr. Speaker, we addressed very quickly, after becoming government, shelter rates and rental supplements for the low-income people within our province.

And, Mr. Speaker, we over doubled the seniors' income plan within this province, something that that government never even looked at for 16 years.

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the member from Saskatoon Nutana.

**Ms. Atkinson:** — Mr. Speaker, according to their own documents, a single wage earner earning \$25,000 in this province is paying \$1,500 more in expenses under a Sask Party government.

But yesterday's budget was a reminder with the Sask Party government in place that Saskatchewan is becoming less affordable. According to the government's own documents, in 2007 Saskatoon was the most affordable city in Canada to live, compared to the largest cities in other provinces. In a year and a half under a Sask Party government, Saskatoon has slipped and is rapidly becoming one of Canada's most expensive cities. To the minister: why has the Sask Party government allowed the affordability of living in Saskatoon to slip so badly?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Minister Responsible for Social Services.

**Hon. Ms. Harpauer:** — Mr. Speaker, we recognized immediately upon the election that housing was an issue in Saskatoon, and we addressed it immediately. With the shelter rate increases and the rental supplement increases that we did as soon as we became government, we indexed them, Mr. Speaker. And we indexed them to the levels within the community that someone lives. So that people qualified, depending on what Saskatoon rental prices are, so that they could realize a better rebate, which is something that that government never looked at for years.

Mr. Speaker, we have also increased housing within Saskatoon to help the pressures. We announced \$8 million for the Pleasant Hill area within Saskatoon, and we just made a significant announcement on student housing in Saskatoon which will help the housing market in Saskatoon considerably.

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the member from Saskatoon Nutana.

**Ms. Atkinson:** — Well, Mr. Speaker, again according to the Sask Party government's own budget documents, Saskatoon residents can expect to pay 11 per cent more for property tax this year than they did in 2007. So if paying more is the Sask Party's long-term solution for property tax, then they should do us all a favour and stop helping.

To the minister: on top of all of the other increasing costs in our province, why is it that the Sask Party with their five MLAs [Member of the Legislative Assembly] from Saskatoon are forcing Saskatoon people to pay more when it comes to property taxes?

**Some Hon. Members:** — Hear, hear!

**The Speaker:** — I recognize the Premier.

**Hon. Mr. Wall:** — Thank you, Mr. Speaker. Well, Mr. Speaker, first of all, citizens right across this province, whether they live in Saskatoon or Regina or rural parts of the province or in the North, are enjoying some basic changes as a result of the election 16 months ago. They're enjoying the largest single-year tax reduction, income tax reduction in the history of the province. They're enjoying now, they will enjoy now the largest in-year property tax reduction in the history of the province. They're enjoying the fastest growing economy in all of Canada right here in the province of Saskatchewan.

Yesterday the Finance critic talked about dark clouds hanging over Saskatchewan. I would suggest to you, Mr. Speaker, that the dark clouds hanging over Saskatchewan are limited to the opposition benches over there, Mr. Speaker.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Wall:** — Because the people of this province, they like this new Saskatchewan. They're feeling optimistic about the economy. They're feeling optimistic about the fact that this government's acting on affordability issues. They're feeling optimistic about the best job growth rate in all of Canada, and they woke up this morning, Mr. Speaker, I think, proud to be in the province, optimistic about the fact that there is only one province with a balanced budget, and it's our Saskatchewan.

**Some Hon. Members:** — Hear, hear!

## ORDERS OF THE DAY

### SPECIAL ORDER

### ADJOURNED DEBATES

#### MOTION FOR APPROVAL OF BUDGETARY POLICY (BUDGET DEBATE)

[The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Gantfoer that the Assembly approves in general the budgetary policy of the government.]

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

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. In our system of government, it is the government that gets to spend the money in the budget, and it is the government that puts before the Legislative Assembly the budget that it wants passed and the budget that then provides the basis for spending on government programs. And so if we seem to be raising questions about the budget and the integrity of that budget, that is our job, Mr. Speaker, because although the government gets

to spend it, the government can't spend it unless that expenditure is approved by the Legislative Assembly.

So we have our jobs to do. And our job is to question the assumptions in the budget to ensure that the budget will in fact be a realistic budget that will stand the test of time, Mr. Speaker. Mr. Speaker, in that vein I want to reiterate concerns that we have about economic growth assumptions in the budget.

[10:45]

Why is this a concern? Well, economic growth assumptions — the extent to which your economy will grow — will determine the revenues that you get. For example if there's strong economic growth, then we will see more people employed, more businesses making money, more people in a position to purchase goods. And all of those affect the government revenue basis.

So with more people working at higher salaries means more income tax. More corporations doing business means more activity. More business income means more corporate taxes. More people spending means more sales taxes. Conversely if the economic growth projections are for little or no economic growth, it means that the government has to ratchet down its revenue assumptions.

It also might mean that the government has to increase some of its projected expenses because, you know, if there's fewer people working because the economic growth predictions are more modest, fewer people working, it might mean more people having to access programs such as social assistance, and therefore government expenditures will go up. And there might be other less readily discernible or less clear links between reductions in the economy and social issues that the government is also called upon to respond to.

So the question then of what kind of economic growth we see in the future in Saskatchewan should be a matter of concern to members of the Legislative Assembly, as it should be a matter of concern to the public. And the question is, are the growth assumptions that the government is putting forward, are they realistic assumptions?

Well, one of the ways that we have in the Legislative Assembly to check to see, to check to see whether or not the growth assumptions are realistic assumptions, is to balance what it is that the government is projecting and forms the basis therefore of the budget with the average of projections from forecasters in the private sector. Who are these forecasters? Almost all of the major banks, almost all of the major banks, Mr. Speaker.

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

**Mr. Van Mulligen:** — Thank you very much, Mr. Speaker. And you know this business of economic growth assumption is something the Premier should be listening to.

Mr. Speaker, who provides the private sector forecast? Almost all of the banks, the major banks in Canada have very significant . . .

**The Speaker:** — Order. I'm not exactly sure what all the business is, but it seems to me that there's a lot of conversations going on, that it's making somewhat difficult to hear the member who's been given the floor. I recognize the member from Regina Douglas Park.

**Mr. Van Mulligen:** — Well, Mr. Speaker, typically when a Member of the Legislative Assembly can't be heard, it's because the other members of the House don't like the message.

So, Mr. Speaker, who are these private sector forecasters? In the main, as I said, they're private banks. They employ many people in research to look at the economies, not just nationally in Canada, but also to look at the economies provincially. It is on this basis that they make their decisions about what kind of lending practices and policies they should be looking at in future years, what kind of investment decisions they would counsel their clients to make, what kind of investment decisions they should be concerned about when they're presented those by their clients. So they have a great deal of expertise in projecting economies into the future.

Typically in Saskatchewan . . . And almost invariably there is a great deal of similarity — and I wouldn't say exactly the same, but there's a great deal of similarity — between the consensus of what it is that the private sector forecasters are saying about growth in the economy and what it is that the government is projecting, Mr. Speaker.

So, you know, in a typical year you might see private sector forecasters saying growth will be a certain amount. The government might be saying, well we think the growth will in fact be a percentage of one point less than that or a small percentage of one point more than that. When you track, when you track these figures over time, that's the conclusion that you come to, and that is that there is a great deal of similarity between what it is the private sector forecasters and all of the resources that they bring to bear on making these predictions, and what it is that the provincial government is projecting in terms of economic growth.

And that then provides a level of comfort to members of the Legislative Assembly, that they can have some confidence in what the government is putting forward because it is not dissimilar to what others are saying about growth in your economy.

I can only remember one year in the last 15 years or so where there has been any great disconnect between what private sector forecasters are saying and what the government was saying. And I think, if I'm correct, that was an issue of methodology, somebody changing their methodology, and therefore the reason for the change.

But this year there's no suggestion that the government is employing a different methodology, a different way of looking at things. It's looking at things the same way, using the same models that we've looked at it for the last number of years. And what do we see, Mr. Speaker? That for the first time in a very long time, we see an absolute disconnect between what the government is projecting and what the private sector forecasters are projecting.

Well again, that in and of itself wouldn't necessarily be an issue, wouldn't necessarily be an issue. But taken in the context, taken in the context of a global economy that is just so volatile — and I don't think I have to spend a lot of time explaining to people that are watching this about volatility in the economy — every day and every headline there is some reference to what is taking place in the global marketplace, what is happening financial institutions south of the border, what is happening in terms of commodity sales in other parts of the world, what is taking place in terms of manufacturing in Ontario and other parts of the United States.

We all know there's a great deal of volatility. And if there's that kind of volatility, then we have to look at, when is it that government made their predictions in terms of what will take place in the economy. Well the government's process is — and I understand this, the government's process is — that some point in, oh I'd say probably in January, the government received the budget documents from the Ministry of Finance, and the Ministry of Finance will have done its work and say, these are the economic growth assumptions in our budget. And therefore this is the revenue picture that we can present to you, based on these economic growth presumptions. Fair enough.

But, Mr. Speaker, what's happened here is that because of the volatility in the world economy, because of the volatility in the world economy, we see things changing very, very rapidly, Mr. Speaker, and it's not to the good. And that is what concerns us, that you have a government putting together a budget at a certain period of time that the world is changing, and changing considerably in that period of time, and the budget simply doesn't reflect the reality of what is taking place. And that then gives us a great deal of concern.

Private sector forecasters, because they tend to put out their projections not at the same time the government does, but throughout the year we see from private sector forecasters their assessment that our projections for economic growth should be ratcheted down. So again we have a huge disconnect, a disconnect of time between when the government booked in its assumptions and when it is that . . . and the projections these days from private sector forecasters.

So again when the government is wrong, when the government is wrong on this, then we have to question what impact it will have on the budget. The minister himself says that, oh well, if the forecast projections are off, wrong by say half of 1 per cent, it will mean a drop of about \$60 million in the budget, in the revenues. Well in this particular case, we think that the government could be wrong far more than that.

The government is still projecting 2.1 per cent economic growth. Private sector is projecting at this point, point six three per cent economic growth. And who knows, within a week or so the average of that might be down to half a point. And if people at home can do the math, but it doesn't take long to add up that potentially you could be looking at a shortfall of 200 . . . [inaudible] . . . dollars in the budget.

And so we have to raise these issues. We have to be knowledgeable about these issues. The public has to be made aware of these issues in terms of how this informs us in our ability to cast a correct vote on the budget, Mr. Speaker.

So I don't want to go on about that, but I do want to raise this very considerable concern. And not just a concern that I have, but others outside the Legislative Assembly have as well about these wildly optimistic economic growth assumptions that the government has included in its budget. So enough said about that on my part, Mr. Speaker.

I want to just talk for a minute again about potash projections. You know the government can say what they like — that production cuts really have no impact. Well at some point they do. At some point they do. And it will have an impact, Mr. Speaker. But I guess even more significantly, more significantly are the kind of market reports that we are seeing that are public market reports that have been made available since the budget was put to bed a couple of months ago. And again as I mentioned earlier, that the world is a volatile place. Many changes are taking place very rapidly in terms of the economy. And the question is, to what extent are these latest changes incorporated in the budget? Is it an up-to-date budget or is it an out-of-date budget, Mr. Speaker, I guess is the real question here.

Well in the area of potash, the government may well have been informed in January by no less than the University of Illinois and their department of agriculture and consumer economics where they said, "Fertilizer prices likely to decline in 2009." That:

Since September, wholesale prices of fertilizers have declined dramatically.

... The financial crisis [in the world] limited fertilizer applications in South America, as credit for purchasing fertilizer was constrained because of non-functioning credit markets. In North America, fertilizer manufacturers produced large amounts of fertilizer under expectations of high farmer use due to high commodity prices. However, farmer demands have been reduced because of lower commodity prices and higher fertilizer prices.

A little market lesson there — high prices, low demand and "As a result, there are large amounts of unsold fertilizer in inventory."

And that may well have helped to inform the provincial government in setting its assumption for potash revenue in the budget, and that's no small thing. The budget, 20 per cent, 20 per cent of all revenue — 1 in \$5 — is projected to come from potash royalties and related surcharges.

Well, Mr. Speaker, where I come from, if you have that great a reliance on one single revenue source — to put it in metaphorical terms, if you have that many eggs in one basket — you should be careful. You should be doubly careful, very careful, Mr. Speaker. Because since the budget was put to bed, what we get are indications that may not necessarily be incorporated in the government's assumptions about what is taking place in the potash industry and therefore what kind of revenues we can expect.

We see for example potash company news, a market report which indicates that ... and this is getting to the heart of how the potash industry works, where you have a small number of

companies in North America that pretty much have agreement about production volumes and prices.

[11:00]

We even have Canpotex which is a Canadian firm that markets Canadian potash commodities to other parts of the world. I wouldn't say that the potash producers were a cartel, Mr. Speaker, but I think it's not a very large industry, and I think they speak in and among themselves.

So it comes as a bit of a surprise then, and this is a surprise that has been announced since the budget comes out, that a major potash producer, in this case the Belarusian Potash Company which is an exporter of potash fertilizers, yesterday — and this is dated Friday, March 6, since the budget was finalized, Friday March 6 — said that, yesterday, they cut the price of potash for Brazilian customers for the first time since 2006.

Well cutting prices to Brazilian potash consumers, farmers in Brazil, may not seem any major thing because our markets are primarily United States and China and, to some extent, India. But you know, it's a world marketplace. And Chinese consumers and Chinese buyers, when they see that Brazilians are able to command a lower price for potash because of the stock that currently sits in warehouses around the world — and I understand China at this point has very large inventories itself — it stands to reason that if there's a cut one place in the world, there will be a cut in prices in other parts of the world if you want to continue to sell your products.

So the government can say what it likes about the budget and that the budget has integrity. The issue here again is the changes that have taken place in the world since this budget was printed. Since it was put to bed, there have been a great deal of changes, and a very significant change is the decision by the Belarusian Potash Company to lower their price at which they sell potash fertilizer into the Brazilian market.

Analysts, in this case an analyst by the name of Limor Gruber, she says she "... believes that other potash producers will be forced to lower prices as well." And it stands to reason; I mean it is a marketplace. She also says:

Instead, the price cut is liable to snowball into an avalanche of price cuts whose size and scale cannot be estimated at this time.

"... the price cut for the Brazilian deliveries is liable to whet the appetite of the Chinese." [for lower prices as well and] This could definitely have an adverse effect on the global potash industry.

Other analysts since that time ... Here's one, March 13, an ad that I see or an article who says that, "Many analysts believe that the outlook is growing dim for fertilizer companies ... potash prices are rising less than expected."

Another one indicates:

The potash market will guide business decisions in ...

Although we believe that long-term potash fundamentals

are solid, we expect the near-term market conditions to remain erratic and unpredictable.

Mr. Speaker, I guess the point is that, what I'm getting back to is that if you have one single source of revenue in your budget, and it's just so large — in this case 20 per cent — and you see around you these indications of problems with that particular revenue source, then I think, to be responsible, a government needs to include that kind of latest thinking into its budget so that we have a realistic budget. That we don't have a budget that will be questioned at some point or a budget that, at some point, that will be showing a deficit.

And this is the point that we're making, Mr. Speaker. A budget, yes it's great to have lots of spending initiatives. But again it's not a question of just what we would like. It's also a question of what we, the people of Saskatchewan, can afford.

And so, Mr. Speaker, that is why I raised these questions about economic assumptions in the budget, revenue assumptions in the budget. Because if we don't, Mr. Speaker, we will be failing in our jobs of scrutinizing the budget to ensure that the budget is a realistic budget, a budget that will stand the test time, a budget that's not going to be changed at the end of the first quarter mid-year to reflect a deteriorating situation.

So again I appreciate the government's conundrum. Here you have to put together a budget earlier than when it's presented. And you had a period of time between when your officials present you with a budget — and all the assumptions and consideration of that budget — and finally being put to bed probably about a month before we're considering it now. And again, in a world where the economy is just so volatile, so volatile that you're not able to include that in the budget, I think that the real answer for the government is to put together an amendment to the budget so that it updates the budget so that we, the members of the Legislative Assembly, can deal with a more realistic budget, Mr. Speaker, as opposed to the budget we have before us.

Mr. Speaker, we're all aware — at least those of us in urban Saskatchewan — and certainly those in Regina, and I was also in Saskatoon and saw the same thing. And I don't where all the billboards are in Saskatchewan, but for those of us that drive around the major urban centres, we see lots of billboards. And one of the things that we've been seeing on billboards of late is a billboard featuring the Premier. And the Premier saying that we've cut the provincial debt by 40 per cent. Well just to be clear on that, it's not quite 40 per cent; I think the actual figure is 38.8 per cent.

But it's not unlike the Premier to pick the higher number to round it off to. He's known for — in the past anyway, in opposition — for selectively using quotes to present one picture when in fact it wasn't the picture that was presented. So we understand the Premier embellishing this accomplishment because of very, very high oil prices, extraordinary revenues coming in, and the government lowering the debt. And I think that is a responsible and the right thing to do — very responsible thing to do.

And I can tell you, as a former Finance minister — and my colleagues don't always want to hear this — that my first

instinct is that when I have additional funds available, it's to lower debt because I understand what this means down the road. And especially for those that are concerned about social programs, I understand that lower debt means that you'll have greater flexibility to support what it is that you want to do down the road. So lowering debt is a good thing. And the Premier made sure that he was letting everybody in Saskatchewan know that he lowered the debt 40 per cent.

I think there were radio ads that were also featured at that point. In fact one of the voices on the radio ad said, one announcer said, and the debt being cut by 40 per cent. And the other voice said, well that's a welcome change — implying that there hasn't been any debt reduction.

In fact I encourage people to look at the financial history of Saskatchewan. They'll see that the NDP [New Democratic Party] in government with far less in the way of resources, also lowered debt, chipping away at it year over year but, you know, it might not be dramatic. But we made those changes as well, again having much less to work with than the government did in this last or, I guess, still the current fiscal year, but the 2008-2009 fiscal year.

So having seen that and given all the attention that's been focused on that, we then are very concerned to see that the total debt of the province is projected to increase again, and to increase dramatically. In fact by the year 2013, the total debt of Saskatchewan will have increased about 36 per cent from this year and, you know, that is something that should concern the people of Saskatchewan when we see this debt situation going the other way.

Now the government says that, well not to worry; this is debt by the Crown corporations. The Crown corporations need to get caught up on their infrastructure. I don't quite understand why it would be escalating to such a great extent, why it would be escalating into the extent of 2-plus billion dollars.

Mr. Speaker, we will have to very carefully examine these activities by the Crowns because that party, that party in the 1980s had this little habit, you know, this little habit of burying in the Crowns expenditures that should have been rightfully stated as an expenditure of the government, but burying in the Crown in an attempt to hide what was taking place to accomplish their agenda in ways that can't be accepted by those who put forward our financial statements and those who review our financial statements. So we have that concern.

The other concern that this raises, that this . . . And you know, the budget document states that this massive increase in debt in the Crowns, this rapid escalation of debt in the Crowns will be paid for by the utility customers of the Crowns. And so there's a question here: are the good times that we're experiencing in terms of property tax cuts and the like, is this something that's going to be clawed back on your utility bills, Mr. Speaker?

Because when I see this kind of rapid and substantial increase in debt . . . And debt has to be paid for. We all know that. There is no debt that, you know, that you can avoid, that you can escape. Someone has to pay for that debt, and this debt is proposed to be paid for by the utility customers — those who buy from SaskPower, those who buy from SaskEnergy, those who get

their telephone services from SaskTel. These are the people that will be paying for this debt. And so the question again remains that if you have a 36 per cent increase in the debt, Mr. Speaker, does it follow that there will be a 36 per cent increase in the services from those companies? That power rates and energy rates over time will be going up by that amount if not more.

Well, Mr. Speaker, that is a concern that we have and this is an issue that will bear some close scrutiny as we go forward as to exactly what it is the government is looking at.

Mr. Speaker, speaking of scrutiny, there's another little issue that concerns me and this is the issue of spending. And I know the government say, you favour spending and this and that, and you support property tax cuts. Well we all support a new, you know, initiative. Might not do it in the same way. Might not blow up the school boards like the way that they're doing, but still would want to support property taxes. Might say that, you know, the economic assumptions just don't exactly support the expenditures that you have in your budget, so maybe you do things over a slightly longer period of time to reduce the cost going forward, Mr. Speaker.

Those are options that the government has, but it's not an option that's being considered by this government. Because the expenses, or the expense in this budget, the spending in this budget is up 12.4 per cent — 12.4 per cent; did I underline that? — 12.4 per cent over the previous year. And last year's, that particular budget, the spending was up 10 per cent over the year before that. So in two years — two Saskatchewan Party budgets — spending in Saskatchewan has gone up by 22.4 per cent. And someone's trying to tell me, well there's a compounding effect so it's actually more than that. I'm not sure I quite understand that and I'd have to get out a calculator to figure that out, that it might actually be more than 22.4 per cent.

But let's just take those figures and say spending has gone up by 22.4 per cent — 22.4 per cent in two budgets by this government. Can they explain, can they explain to the members of the Legislative Assembly, can they explain to the people of Saskatchewan how that kind of an increase in spending is sustainable? Can they explain that? They've not made any effort to explain it here in this Assembly. When we ask questions about these things, you get blown away by, you know, your own priorities and . . .

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

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. So again can this, spending increases, be explained? I can tell you that some of their core supporters will be rolling over and wondering about where their party is headed. This is a party of course, Mr. Speaker, that campaigned in the last election of having spending increases during this term of government, roughly 3 per cent a year. And then I went and looked at it again to make sure I didn't misunderstand it. Were they saying 3 per cent per quarter or 12 per cent per year? Maybe I misread it. But you know, I went back and no, I didn't misread it.

[11:15]

Maybe there's some fine print there that didn't come through on

the photocopier, because the Premier is notorious for having fine-print qualifications on the things that he said. But no, I checked and there's no fine-print qualifications. And so you know, this is a political party that, a couple of years or so it said, don't worry, spending will only go up with us about maybe 3 per cent per year on average. Don't worry; we're going to be very responsible that way.

People said, that's great. We get what we want, all your promises that you made, and spending is only going to go up by 3 per cent a year. Well you know, when I looked at that I said, you know, it's kind of like a miracle. I'm tempted to vote for that myself. But I know, of course, enough about budgets to know that, you know, something's got to give. And either you're not going to follow through on those commitments or you're not going to be able to stick to your commitments.

And what we know now, of course, is the government hasn't been able to stick to this promise of an average of 3 per cent spending increase over the course of its term annually. Not unless they're planning to actually ratchet back the next two budgets. But I don't see any appetite or any indication from this budget that they will be doing that. So, Mr. Speaker, this is an area of great concern.

The minister himself, the Minister of Finance himself, last year was asked about this and said, well we think actually that in the coming fiscal year — that's the budget we're now considering — we'll be able to keep the expenditure increases down to 5 per cent. Well I don't think so. It's actually 12.4 per cent. So something is not quite adding up here, Mr. Speaker, in what seems to be a sense from the Finance minister that the expenditure increases should be less, but we see this budget with these massive increases in spending.

So when we talk about runaway spending, we mean that once you're on a track to increase expenditures in that fashion, how will you be able to reduce that? How will you be able to cut that back?

I know that, you know, one of the columnists today has his own theories on how that can be done simply. But then he's not been in the cabinet and he's not sat around the Treasury Board. And so, when you're looking at it from the outside, a lot of things are simple. You just cut back on infrastructure and so on to bring the budget into line. Well, I don't think it's quite that simple, Mr. Speaker. It's not quite that simple.

So the question we have, given that this is one budget that's part of a financial plan going forward, how is this sustainable? How is this spending going to be sustained next year? What realistic increase in spending will we see next year? And if it's much less than what we have today, how will that be accomplished? What will be cut? What will be eliminated? What misery will be inflicted on Saskatchewan people because all of a sudden the government's decided, whoa, we've got a spending problem here and we've got to cut back.

So, Mr. Speaker, we are very concerned by what we see in this budget with respect to spending, Mr. Speaker — very, very concerned. And having said that, Mr. Speaker, we will continue to advocate for the priorities that we think the government should be considering. We will have our own ideas as to what

we think is important versus what they think is important. We will continue to advocate the priorities we think important. We will continue to advocate for those people in our society that are being left out of the government's gravy train, because there are people that are being left out — people that they don't really seem to care very much about. Oh, they say all the right words and so on, but they don't seem to care very much, Mr. Speaker. And so we will continue to advocate for those that really have no voice to advocate for themselves. And we will continue to advocate for different priorities for this government, Mr. Speaker.

Mr. Speaker, so again, spending, spending, spending is out of control. It is simply not sustainable and we, as responsible members of the Legislative Assembly, have to concern ourselves about the increases in spending that we see. Because I've seen this before. I've seen this before where you've had a government with runaway spending, spending out of control, then a huge contraction and all kinds of misery being created for a short period of time, and then right back on the spending train again. And that was in the 1980s and, Mr. Speaker, that is a legacy that we're still dealing with in this province. We had bad government, making bad decisions, not able to control the spending in this province, Mr. Speaker. So that is a source of concern throughout.

Mr. Speaker, I want to conclude my remarks to just address one particular issue that is in this budget, and that is the decision by the government to effectively eliminate the ability of school boards in Saskatchewan to set local priorities to reflect local needs in terms of developing budgets for their school boards. What the government has done is that they've set the school boards . . . As opposed to you having the ability to set your mill rates and collect the taxes you think you need to run your operations, we're going to take that away. We're going to take that away and we're going to set provincial mill rates.

And so I make this prediction that, having taken away the ability of school boards to raise their own revenues — and that the school board, essentially their only job will be to take the money that is provided by the provincial government and then to allocate that in terms of, you know, schools and teachers and programs in their own areas, simply have one revenue source — it just doesn't follow that you will continue to have elected boards. I predict that within six years that we will no longer see elected school boards in Saskatchewan.

The government will take the position, why would we have elected school boards? All they ever do is complain to us. All they ever do is complain to us about the money that we're not getting from the provincial government. Well because they have no other revenue source. You know, typically school boards have to marry concerns about funding from the provincial government with what it is that they want to fund and they can get from the local revenue source.

So there's some element here of responsibility that you have when you have to answer to your local taxpayers about the programs you're putting forward and what it is you're funding and why it's important, but now don't have that.

And I expect that similarly, as was the case with health boards, where the previous government set up health boards, had people

elected to those health boards . . . And I took the position at that point — wasn't a member of the government, wasn't a member of the caucus — that wouldn't work. It just doesn't work. You don't elect people to provide services, and those people then have a revenue base that they have no control over. It doesn't work to then have elected people. And I expect that within six years or so that school boards will become appointees of the provincial government to manage things on a regional basis that would no longer have elected boards.

And that is a question, that is a question I think that requires more significant debate in Saskatchewan given that we have a history of working with people on the local level, respecting local autonomy in terms of local people being able to elect people to make decisions for themselves as to what priorities they want to see, that we're now headed towards no more local accountability and — again as I indicated — no more elected local boards, Mr. Speaker.

And I think that given our history of 100-plus years of doing things in a certain way, that the government went through the back door in the budget, blow up the boards. And essentially that's what's going to be happening, that the government would do that as opposed to having a debate in Saskatchewan about whether or not elected boards are desirable and whether we should continue with a tradition that we've had for 100-plus years.

Mr. Speaker, Saskatchewan, it has been said, has more local governments than any jurisdiction in Christendom. And you know, when you look at the pattern of settlement in Saskatchewan versus, say, Manitoba — the amount of area that's given over to agriculture, the development of communities in our history — we understand why we would have more communities and more local governments in all of Saskatchewan than many jurisdictions, Mr. Speaker.

And this has always been an issue that has chafed at people. And especially some people at the University of Saskatchewan will always come forward with ideas about, you know, amalgamating communities, doing things in a certain way, having fewer local governments. And I've never been of that opinion. I take the opinion that the more people you have at the local level that are elected by their citizens to take control of the things that affect them, that are accountable to the people in a local community, the better it is.

And that's not to say that we won't have problems. That's not to say that we won't have conflicts. That's not to say that, you know, changes won't happen in demographics in Saskatchewan that call into question sometimes the viability of certain local government units and the like. And it called into question the viability of school boards in the past. But to say, as the government has done, that, well we don't like the conflict that we're seeing from school boards in this last year, we don't like the conflict in presenting us with school closures, so our answer is to blow up the school boards.

Well I don't support that approach, because I fear then where that might extend to in terms of other local governments. I think that if we leave local governments to work among themselves, look for opportunities to work together, provide them with assistance if there are extraordinary challenges in terms of



looking at specific issues where we can provide a framework for them to work together, we will get better government for the people of Saskatchewan. We will get better service for the people of Saskatchewan, Mr. Speaker. And I tell you that this direction by the government is completely headed in the wrong direction as far as I'm concerned and what I believe.

My background in government, before I came to the Legislative Assembly, was on council of the city of Regina. I have a strong belief that local people — if given any opportunity to make decisions about their own priorities, to elect themselves, and to be accountable to themselves — will do the right thing in the fullness of time, Mr. Speaker. And I fear that this government, given its intolerance of any discord, at some future time would take even more dramatic action with respect to local government, Mr. Speaker.

So I want to leave my remarks with that particular concern. That is a concern that I have. And again that may not be a concern that's shared by members of the government. That may not even be a concern shared by all members on this side. But that is a concern that I have because of the experiences that have formed my public life and experiences that I've always taken as being important to me, Mr. Speaker.

So, Mr. Speaker, I've said enough. My colleagues are anxious to make their own contributions to debate, and therefore, Mr. Speaker, having looked at the budget, having looked at the budget and taking into account what I've said about the economic growth assumptions and the revenue assumptions in the budget, and again the concern that we have about debt increasing, Mr. Speaker, I would move:

That all of the words after “that the Assembly” be deleted and the following be added:

condemn this government for the return to poor fiscal management in the budget process and increasing the debt of the province.

Mr. Speaker, I so move, seconded by the member for Regina Coronation Park.

**Some Hon. Members:** — Hear, hear!

**The Deputy Speaker:** — It has been moved by the member from Regina Douglas Park, seconded by the member from Regina Coronation Park:

That all the words after “that the Assembly” be deleted and the following be added:

condemn this government for the return to poor fiscal management in the budget process and increasing the debt of the province.

I recognize the member from Regina Coronation Park.

**Mr. Trew:** — Well thank you very much, Mr. Deputy Speaker. My first words are words of pride — pride in my friend, pride in my colleague, pride in my seatmate, the hon. member for Regina Douglas Park, who just so well belled the cat, so well outlined some of the concerns that we have with this budget.

The member for Douglas Park has had many, many stellar moments in this legislature, and this one is right up with some of the very, very finest of his contributions to Saskatchewan and to the legislature and to all of us so I'm . . . Now I seldom do this but I'm now on the record being very proud of my friend and my colleague.

[11:30]

Mr. Deputy Speaker, we live in a great province — Saskatchewan. It is arguably the best province in the best country in the world. And very few of us in this Chamber, on either side of the House, feel any differently than that's just the way it is. That's the truth about Saskatchewan.

Saskatchewan people are just amongst the very finest people in the world. They're great people and they deserve and can take the unvarnished truth. Just tell us what the real situation is and Saskatchewan people will respond. We always have and always will. We're products of hard times. There's just no question about it, whether it's our harsh weather, being the extreme heat in the summer or the extreme cold in the winter or the mosquitoes that are the size of buzzards — at times it feels that way — but we know hardship when it's farming and there's no moisture. And I've seen that. Maybe it's having a bumper crop coming and you see that crop disappear to hail, just in a matter of moments.

But, Mr. Speaker, the budget 2009-10 has some concerns that we have in it. I look at the growth assumptions and it causes me a great deal of consternation. When you have RBC [Royal Bank of Canada] that at one time was projecting the growth rate of 2.8 per cent annual growth this year, having just reduced it earlier this week to point nine, that's less than one-third of what its projection was before, and at point nine, RBC is fairly rosy.

Scotiabank, which had been at point six per cent growth forecast for Saskatchewan, now is forecasting neither economic growth nor deflation in Saskatchewan. They're projecting zero. And you can put as many zeros on that as you want, either way, and it doesn't much matter where you put the decimal point.

The fact is they're saying our economy will neither grow nor shrink. Despite that we have, in the budget document tabled yesterday, we have the province of Saskatchewan, Minister of Finance saying that Saskatchewan is going to enjoy economic GDP — gross domestic product — growth of 2.1 per cent, wildly, wildly beyond anything that any of the private forecasters have put together, including the private forecasters that the government, the Minister of Finance, put in his own document. And so we're quite concerned that the growth assumption is unrealistically high.

And we have some reason to fear the unrealistic growth projections, Mr. Deputy Speaker, not the least of which is an article on St. Patrick's Day in the business page of the *Leader-Post*, the headline of which is, “PotashCorp lays off 940, more production to be cut.” More production to be cut. And earlier in question period we heard the hon. minister, the member for Kindersley, saying, well production is disconnected from sales.

Well intuitively there isn't a soul in the world that really

believes that you would have no production and yet have great sales. Every operation I have ever, ever seen in my life, the better the sales are, they ramp up production. When sales are tanking, they cut production. And this is the second. This time it's one and a half million tonnes per year — the production cut on the heels of an earlier 2 million tonne production out of an industry that produces not much more than 10 million tonnes in an entire year. So I mean I leave the math to you, Mr. Deputy Speaker, and to anyone else, but the potash projections are even rosier than the colour of the potash, which is pink. There is no way that, with credibility, that a Minister of Finance can say certainly that the sales are going to be there.

The news report I saw a couple nights ago showed railcars at the potash mine, potash Allan mine, and the report said that those railcars of potash had been there all year. Now admittedly all year is January, February, and now we're into the second half of March, so it's just over two and half months. But this is a time when potash should be moving. So there's just no question that on the volume, there's real concerns.

And then we keep hearing about sales pressure downward. My colleague pointed out that in Brazil they've lowered the price of potash sales in the country of Brazil, and it's the first time they'd lowered it — if I heard him right — since 2006. In 2005, in 2006, and 2007, potash was selling on the market for within 10 per cent of \$300 a tonne in all three of those years. And this budget is projecting potash at, I believe, about 550 million tonnes.

And we know that the production is being cut by PCS [Potash Corporation of Saskatchewan Inc.] in an effort to force prices up, but we also know that it doesn't much matter what the price of potash is if there's no sales. So those projections are clearly, clearly suspect and they're \$2 out of every 10 in this year's budget — 20 per cent, or \$2 billion out of a \$10 billion budget, \$2 billion comes from potash. It's by far the most we've ever, ever budgeted to receive from potash.

And I've seen this picture before, Mr. Deputy Speaker. I have seen projections that are just whatever it takes to make a balanced budget. We saw that in the '80s and I'm fearful, Mr. Speaker, because we were the ones that picked up the mess, I'm fearful that the Saskatchewan people will be stuck with a mess at some point in the future.

Mr. Speaker, I'm going to flip from potash and the rosy economic projections in this budget that was presented yesterday to talk about the flip side of a budget because really what a government does is they bring in money based on a whole host of things, and on the flip side they make expenditures, presumably of money that they brought in from potash, from personal income tax, from gas tax, and from all of the other assorted and sundry methods of bringing in income.

But in the spending side, Mr. Deputy Speaker, last year this government increased, ratcheted up its spending by more than 10 per cent from the year before, more than 10 per cent increase last year. In this budget, it makes last year's look small. This year it's going up 12.4 per cent — 22.4 per cent increase in expenditures of government, of tax dollars, 22.4 year increase in a two-year cycle. And you need phenomenal economic growth to sustain that. That's one point I want to make.

And I just want to say I heard from the Minister of Finance earlier today, in question period, when he said one half of one per cent of economic growth equals about \$50 million in this budget. So if we had huge growth, huge growth, you know, it just doesn't make a twenty-two and a half per cent increase in expenditures in a two-year period sustainable. Or put it another way: 11.2 per cent per year, double-digit increases in government spending each year. It's just not sustainable. And nobody with credibility would ever argue that it is, and indeed that's not what the Sask Party campaigned on.

So I'm really, really concerned. The budget has some nice things in it. There's some welcome things in it, but how do you pay for it and how do you pay for it, Mr. Deputy Speaker, in the long, in the ongoing? How sustainable is this budget? And mark my words, members across the way are going to say, it's sustainable because of economic growth, because they're going to lead us into economic growth. Well members are clapping. I tell you, members, you cannot have it both ways. You cannot have it both ways, Mr. Deputy Speaker.

The Minister of Finance earlier today says one half of one per cent equals about \$50 million in revenue to the province of Saskatchewan. That doesn't sustain double-digit, 11.2 per cent growth in spending year after year after year. It doesn't work. It just doesn't add up. It doesn't.

We've seen this picture before. The Premier was part of the Grant Devine administration. He was an adviser at that time. He should know better. Members opposite should know that governing is about making choices. That's what governance is all about, Mr. Deputy Speaker. And I'm not at all convinced that this government has learned anything about making choices yet. It's always nice to be Santa Claus with somebody else's money, but that somebody else is the taxpayers of Saskatchewan, and they're the ones left holding the empty toy sack when you people are done.

Mr. Speaker, the debt is clearly increasing in this budget. And, you know, you can mount an argument, well they came into more than \$2 billion in extra revenue last year that was unbudgeted for, and it was put to debt. And that was a good thing. Much of that was put to debt, and that was a good thing that the government did last year.

Now the debt is turning around and they're driving it up. The biggest jump this year, and you know what, you can mount an argument, well we chunked down lots of debt last year so we're going to put that back into the debt file this year. We're going to borrow and it just balances out.

You can mount that argument and I might even, with a great deal of trepidation and nervousness, I might even accept that argument, Mr. Deputy Speaker, except, except for the following year when the debt again increases according to this budget projection, and the following year when the debt again increases, and the following year when in this the debt again increases. And it's not just in terms of dollars. It's the debt is going to increase as a percentage of the gross domestic product.

As my colleague pointed out, Mr. Deputy Speaker, the debt is going to increase. According to the Minister of Finance and the government members opposite, the debt of Saskatchewan,

supported by taxpayers, is going to increase faster than our ability to pay for it, faster than the Saskatchewan gross domestic product is going to increase.

You can do that in a rare occasion one year. He said, well we have this crisis. You know our major hospital burnt down, we have to rebuild it, or . . . Bad crisis, perhaps. But in a crisis situation, in a one year, you might find yourself overextended, Mr. Deputy Speaker.

When you are projecting that you are overextending four years in a row, and when this year's budget is projecting expenditures to grow at a much faster rate than their own budget last year projected, because they did a four-year cycle, and if you look at the out years, the expenditures of the province of Saskatchewan in this budget are now projected to be \$2 billion more in the final year than they were projecting them to be last year. \$2 billion is not chump change. That's a lot of tax dollars. That's a lot of money going out the door. That's a lot of debt that is potentially being built up on behalf of taxpayers of Saskatchewan.

And what are they saying about the debt increase? Well they're saying, oh but it's all in the Crowns. Well, Mr. Deputy Speaker, I've seen that picture before, too. Many of us were around — and I've mentioned the Premier was around; others were around too — many of us were around through the 1980s, certainly living in Saskatchewan through the 1980s when the Grant Devine right wing government stripped the Crowns of their assets, took that money into the General Revenue Fund and spent it willy-nilly.

We used to say, and I said it many times in the legislature then, that the Grant Devine government was spending money like drunken sailors. And I apologize to every drunken sailor I might have offended when I said that. And we're seeing the beginnings, potential beginnings, of the same cycle: overinflated revenues. And that's what the Grant Devine government did then — overinflated the estimate of income and underestimated the expenditures to the point that the year I got here, in 1986, the budget was \$1.2 billion that year alone in deficit, out of a roughly \$4 billion annual budget at that time. It was unbelievable.

[11:45]

Well you know, Mr. Speaker, we've seen that entire picture, and I was part of the Romanow administration that turned that around. And it was tough times, and it was tough times on Saskatchewan people, but we did what governments have an obligation to do. We did what governments have an obligation to do, and we made darn sure that every one of the bills got paid.

We cut the frills and paid the bills at a time when borrowing money was incredibly difficult. The New York money market, even though it was buoyant at the time, had dried up because at the end of the Grant Devine era, our credit rating was BBB — BBB — junk bond credit rating, Mr. Deputy Speaker. We couldn't borrow money.

And the member opposite is chirping, how much debt was it? It was so darn much debt that we were BBB by the bond raters. It

was twelve and a half billion dollars, the debt. And, Mr. Speaker, it is bizarre. And the debt did grow in the first two years of our administration until we could catch up to a balanced budget with a surplus and start paying it down. But enough of that history.

You learn from history to try and prevent us from repeating it, Mr. Speaker. And this budget . . . I refer people to page 60 of the budget document where it shows the total debt as a percentage of GDP.

Mr. Speaker, I've outlined my concerns around the overinflation of revenue projections. I've outlined some of the concerns of overspending. I've sort of keyed in a little bit that the Crowns are in danger of being stripped. We see that that's something that right wing governments seem to want to do, and I remember us having to put taxpayer money into the Crowns in 1992 just so they could continue to operate and provide services to the people of Saskatchewan. That's some of the history that I know.

And I know that any member that says economic growth is going to take care of the shortfall is just, they're following the Bob Andrew school of economics. Bob Andrew was the first minister of Finance of Grant Devine. Bob Andrew was a decent enough fellow, but he said . . . There's one quote I remember in his first budget, and he said, Saskatchewan's introduced the first intelligent budget in Canada — intelligent because the economic growth is going to take care of the shortfall.

And I tell you, Mr. Deputy Speaker, that first budget that he introduced in 1982 for '82-83, that very first budget he introduced that had a, I believe it was \$227 million deficit projection, that was the closest that that right wing government ever got to a balanced budget in 11 going on 28 years — long years. They were eleven and a half real long years for the people of Saskatchewan. And that was the closest they ever came to a balanced budget.

I also note as I'm going through the budget documents that the total indebtedness of the province is going to go up \$25 million. It's a small amount. It's a very small amount, but the total indebtedness is going up. And that tells me that projections of balance may be lacking.

So this year the GRF, General Revenue Fund, expense forecast for — I'm going to go to the out year again just to be crystal clear — 2012-13. Last year the budget document said the expense forecasts were going to be \$10.3 billion. This year it's now \$12 billion. That's an increase of nearly \$2 billion. Because the government got it so wrong last year, they're telling us they haven't changed anything, but they got it wrong last year. And I totally lack confidence in the economic projections that this government has of growth and what it's projecting it's going to grow in revenue for the province.

I am fundamentally at odds with the government respecting Crown corporations, which should have a great and honourable future serving all of the people of Saskatchewan in a great way. But all we've seen so far is the highest natural gas rates this winter heating season, the highest natural gas rates in all of Canada for residences, and now we're seeing a 13 per cent asked-for increase in SaskPower rates.

And I want to point out, Mr. Deputy Speaker, that SaskEnergy and SaskPower enjoyed very good earnings in the past year and in the year before and in the year before that. So it's not that either . . . that in any way you can cry poverty. What you can say is the government has a real need for cash, and they're going to strip a bunch of that cash from those Crowns.

Mr. Speaker, I was reflecting on the budget. And yesterday right after it was given, and I thought, you know, when I was 18, I overestimated what my income was going to be, and I had no idea what my expenses were going to be. And of course if I budgeted them at all, I lowballed the expenses very, very, very much. I can tell you that's what I see happening in this budget. And I can tell you that when I was 18, my budget didn't work out all that great. And I hope this one works out better for the people of Saskatchewan.

Mr. Speaker, I think I've outlined what I needed to. I hope I did in my allotted time. I know that other members . . . I'm looking forward to other members, particularly on this side of the House, but I'm looking forward to members on the opposite side as they might try and justify how it is that you can have double-digit growth in government spending year after year after year. How is it you can ratchet up spending like that and not have a deficit? How is it that this could happen?

And, Mr. Speaker, I lack confidence in the budget. But what I do lack confidence in is the opposition. And I want to say that I will be supporting the amendment which is:

That all the words after "That the Assembly" be deleted and the following added [so it becomes]:

That the Assembly condemn this government for the return to poor fiscal management in the budget process and increasing the debt of the province.

Mr. Speaker, I will be supporting the amendment and not supporting the budget.

**Some Hon. Members:** — Hear, hear!

**The Acting Speaker (Mr. McMillan):** — I recognize the member for Rosetown-Elrose.

**Mr. Reiter:** — Thank you, Mr. Deputy Speaker. Thank you, Mr. Deputy Speaker. It brings me great pleasure to rise and speak to the 2009-10 budget of our government. This is a budget about keeping our promises, ensuring a steady path through this economic uncertainty, and about getting Saskatchewan ready for a strong future. Finally, after years of inaction by the NDP, we're seeing real action taken on property tax relief and on municipal revenue sharing.

**Some Hon. Members:** — Hear, hear!

**Mr. Reiter:** — We are seeing a children's hospital in Saskatoon and increased infrastructure spending. And we're seeing it all within a balanced budget.

**Some Hon. Members:** — Hear, hear!

**Mr. Reiter:** — Mr. Deputy Speaker, during the last election,

we campaigned on a series of promises. We went door to door and told voters that our campaign platform would be a blueprint for what we would do because we would be a government that would keep our promises.

Well this budget caps off an amazing 16 months where we have been able to already fulfill almost all of those promises. In Saskatchewan we're not immune from the current economic turmoil. But while others are experiencing decline, we're experiencing growth. While others are losing jobs, we're fortunate to be creating jobs. We are not immune to the challenges of today, but we are well positioned to meet those challenges, and this budget ensures that.

**Some Hon. Members:** — Hear, hear!

**Mr. Reiter:** — Even before this budget, our government was taking action. We cut taxes. We invested in infrastructure. We provided a plan to get shovel-ready projects going once the ground thaws. In my constituency of Rosetown-Elrose, we saw the announcement of the replacement of a long-term care facility in Rosetown. We will also be doing renovations to the Elrose Composite School. There are projects happening all over this great province, Mr. Deputy Speaker.

The tax measures introduced last fall are benefiting Saskatchewan people. We've also taken firm action on debt paydown by cutting the debt by \$2.6 billion, nearly 40 per cent.

**Some Hon. Members:** — Hear, hear!

**Mr. Reiter:** — Mr. Deputy Speaker, our government has managed to deliver a balanced budget, quite possibly the only one in Canada this year.

But that's not all. We're also delivering on some major commitments that we made to the people of Saskatchewan during the last election. We said we would introduce a new revenue-sharing deal that would provide municipalities with funding tied to own-source revenues. We have now kept that promise.

The new municipal operating grant program will provide funding equal to 90 per cent of one point of the PST [provincial sales tax] this year, and it will be a full point next year. This will provide a reliable and predictable revenue stream for municipalities which will help them plan for the future.

Mr. Deputy Speaker, I know from my past municipal experience that this is something that municipalities and their organizations, SARM and SUMA [Saskatchewan Urban Municipalities Association], have wanted for a long, long time. This will mean nearly \$170 million in operating grants this year — a 24 per cent increase over last. A promise made, a promise kept.

**Some Hon. Members:** — Hear, hear!

**Mr. Reiter:** — We have already put one and a half billion dollars into infrastructure between our first budget and the booster shot. This budget will dedicate a further \$1 billion to fixing our province's infrastructure deficit. It will fix schools, improve health care facilities, create child care spaces, and fix

highways. This money is not just about fixing the deficits of the past though, but also about preparing for the future. Our province will be in a better position to capitalize on the global economic recovery while keeping life affordable for all Saskatchewan people.

This budget works towards stronger and safer communities by hiring more police officers and funding the Western Canadian gang database. We will see 1,000 new child care spaces, the active families benefit, and a children's hospital so that our children are given the best start possible. Twenty-three million dollars will go towards limiting tuition increases at our universities. We will increase funding for the graduate retention program by six and a half million dollars. It will do more to recruit nurses and physicians to our province while increasing apprenticeship training seats.

We're supporting our producers with over 100 million new dollars to fulfill our promise and fully fund our share of AgriStability and AgriInvest.

**Some Hon. Members:** — Hear, hear!

**Mr. Reiter:** — Another \$25 million will go towards improving crop insurance for farmers — farmers who were neglected for so long under the previous government.

Mr. Deputy Speaker, for me the most significant item in the budget was changes to property tax. This has been a significant issue in this province for decades. Taxpayers have had a disproportionately high share of education costs for far, far too long.

During the 2007 campaign, our Premier promised a long-term solution to this problem and I was honoured to be appointed Legislative Secretary to the Minister of Education and our Deputy Premier with responsibility for the property tax initiative.

**Some Hon. Members:** — Hear, hear!

[12:00]

**Mr. Reiter:** — Mr. Deputy Speaker, I need to mention what a tremendous experience it has been for me to learn from our Deputy Premier. He has a tremendous work ethic and a wonderful grasp of complex issues. I have so much respect for him. He has been so supportive of me and I want to publicly thank him.

**Some Hon. Members:** — Hear, hear!

**Mr. Reiter:** — Mr. Deputy Speaker, what did the previous government do? Did they take action? In 2003 the current Leader of the Opposition, who was then premier, announced at the SARM convention that the status quo is not on. I was there, Mr. Deputy Speaker. We were excited, and we were waiting to see what the NDP would do to meet their promise and fix this long-standing problem. And then, Mr. Deputy Speaker, what did they do? They did nothing for a year until, until, Mr. Deputy Speaker, the 2004 SARM annual convention at which time — what did they do, Mr. Deputy Speaker? — they again announced that the status quo was not on. Go figure.

More recently, Mr. Deputy Speaker, what did the member from Regina Rosemont have to say? He said that our government is likely not going to be making movement on this file. Was he right, Mr. Deputy Speaker? No. And what did the member from The Battlefords have to say? He said that no one in government is expecting this provincial budget to signal any significant property tax relief. Was he right, Mr. Deputy Speaker? No. What else did the member from Regina Rosemont say? He said, and I quote, that we're "... postponing this tough decision for another year." Was he right, Mr. Deputy Speaker? No.

Speaking of the member for Regina Rosemont, Mr. Deputy Speaker, recently, the last couple, three months, he's got a great deal of press talking about property tax. I'm glad to know that he is learning about the issue. And I noticed that he constantly referred to me as the member from Biggar. Now as you know, Mr. Deputy Speaker, and I believe everyone on this side of the House knows, I'm from Rosetown-Elrose. I certainly don't mind being referred to as the member from Biggar. The member from Biggar is an outstanding MLA. He's a very intelligent person, and he's a good friend of mine. I consider that flattery and a compliment, but I think this sort of underlines a basic problem here that the member from Regina Rosemont has. Not just that he doesn't know the difference between the two wonderful communities of Rosetown and Biggar or where they are. This really isn't his fault, Mr. Deputy Speaker, because if you've never left the boundaries of Regina, you can't expect to know where the other great communities in the province are.

Now, Mr. Deputy Speaker, both communities — Biggar, Rosetown, all the communities in that part of the province all across rural Saskatchewan — are very hospitable, and I would welcome and invite the member from Regina Rosemont to certainly attend, come to the community. And I'll tell you what, Mr. Deputy Speaker. The members of those communities are so hospitable they would even welcome an NDP.

Mr. Deputy Speaker, I want to read a quote to you. This is a quote, Mr. Deputy Speaker:

We are pledged to do away with the education tax as soon as we get the new sources of revenue to take the place of the revenue now realized from that tax.

This is a quote, Mr. Deputy Speaker:

When we develop new sources of revenue sufficient to supplant the revenue now raised from the tax . . .

And I know you're getting curious about who said this, Mr. Deputy Speaker, and I'm coming to that.

. . . now raised from the tax, we shall do away with the tax because we consider it regressive legislation.

Now I know everybody's guessing who said that. Some think the member from Regina Rosemont. But no, Mr. Deputy Speaker, that quote was from August 31, 1944 and was from none other than then premier, Tommy Douglas.

Mr. Deputy Speaker, after years of inaction by the NDP, our government has taken action.

**Some Hon. Members:** — Hear, hear!

**Mr. Reiter:** — Under our new system, education mill rates will be cut and capped for the three major property classes of residential, commercial, and agricultural. Property owners will save \$103 million in 2009, the largest education property tax cut in a single year in Saskatchewan's history. While doing that, our government is increasing funding to school divisions by over \$240 million to ensure the best education for our students.

With this budget, our government is now funding 63 per cent of the operating costs of pre-K to 12 [pre-kindergarten to grade 12] up from 51 per cent last year. Next year we will go even further and save taxpayers a further \$53 million, bringing up the total to 66 per cent funding — two-thirds of the cost of education.

**Some Hon. Members:** — Hear, hear!

**Mr. Reiter:** — This budget provides savings to the majority of property owners while also ensuring fairness across the province. Businesses can now invest with confidence in Saskatchewan knowing that mill rates are now capped, adding certainty to our investment climate.

What is everybody else thinking about the budget, Mr. Deputy Speaker? We know what the opposition's thinking, but I'd like to share what some other people are saying, Mr. Deputy Speaker. This is from the SUMA press release, and this is quoting the president of SUMA, Allan Earle:

“This announcement brings relief to our property tax payers, who until now have covered the vast majority of education costs,” said the SUMA President. Earle went on to say that the reduction in education tax will improve the competitiveness of Saskatchewan's municipalities. “With these . . . cuts, our cities, towns and villages become more attractive to new businesses and families.”

That's from the president of SUMA, Mr. Deputy Speaker.

I also received a phone call yesterday, Mr. Deputy Speaker, from the president of the Saskatchewan Stock Growers, Ed Bothner. He was in Ottawa, couldn't attend the budget, but he phoned me, Mr. Deputy Speaker, thanked me, and asked me to extend his appreciation to our Deputy Premier and the Premier and all our caucus for the immense tax relief that was delivered.

**Some Hon. Members:** — Hear, hear!

**Mr. Reiter:** — And, Mr. Deputy Speaker, probably my favourite quote of all from leaders across our province is from my good friend, Dave Marit the president of SARM. Mr. Marit said, and I quote: This . . . He's referring to the municipal operating grant and the tax relief. And his quote was, “This increase, along with the school tax relief, makes this the best budget for rural Saskatchewan in history,” Mr. Deputy Speaker.

**Some Hon. Members:** — Hear, hear!

**Mr. Reiter:** — Mr. Deputy Speaker, our Finance minister has done an amazing job. I hold him in very high esteem and was honoured to be given the opportunity to second the original

motion. And, Mr. Deputy Speaker, I will not be supporting the amendment. I am proud and extremely honoured to second the original motion for the Saskatchewan provincial budget for 2009-10. Thank you, Mr. Deputy Speaker.

**Some Hon. Members:** — Hear, hear!

**The Acting Speaker (Mr. McMillan):** — I recognize the member for Wood River.

**Mr. Huyghebaert:** — Thank you, Mr. Deputy Speaker, I'm extremely pleased to join in this budget debate. I think we all attest to the fact that yesterday's budget was a very historic budget — very, very good for the people of this great province of ours.

Mr. Deputy Speaker, we looked at balance in the budget, balance with spending and into new initiatives. And I think this budget just shows the people of Saskatchewan how we in the Saskatchewan Party keep our promises in trying to move this province forward with a plan of growth and stability.

Mr. Deputy Speaker, it's interesting to note some of the comments from across the way. Now we have to look at this budget, and I'll be going through some comments also from third party people, but I would venture to say that there's only 20 people in this province that do not like the budget, and they all happen to be sitting on that side of the House. They're looking in the rear-view mirror. It's a situation where they want to perpetuate doom and gloom and you just can't make them happy with anything. This is such a great budget and they're looking backwards.

We hear the member from Douglas Park. I don't know how many times he's got up and he's talked about the '80s. Well, you know, when I looked at the calendar this morning we're now in 2009 and he's still living in the '80s. No wonder they've got doom and gloom over there when they start thinking that far back. But during my talk, Mr. Deputy Speaker, I am also going to go back a little bit, but it won't be quite that far. It will probably be to back to the '90s and we'll have a few comments to say about that.

Another thing that is very interesting to see right now. We hear members opposite in their member statements and it's very interesting to see, when member statements and petitions . . . There's a petition this morning on CBO wages. How many years did we endure an NDP government that totally ignored CBO wages? Sixteen years. Now all of a sudden, a little bit of the holier-than-thou attitude coming from across the way. Well when are you guys going to do something about it? Well they did nothing for 16 years. And in 16 months we have done more than they did in 16 years, and we've put wages up for CBOs.

And is it not just a little bit hypocritical when we hear the member from The Battlefords talk about a hospital? It seems to me, was he not the Minister of Health at one time? And what did he do about the hospital in The Battlefords at that time? Nothing. Nothing. Absolutely nothing. And now, and now in 16 months he wants us to build a hospital in Battleford.

**The Acting Speaker (Mr. McMillan):** — Order. Order. I recognize the member from Wood River.

**Mr. Huyghebaert:** — Thank you, Mr. Deputy Speaker. Well I think that touched a nerve, I would suggest. But I would say that the member from The Battlefords, he was the Health minister, and absolutely nothing done. That is absolutely a shame. Now wanting us to fix their problems within 16 months, it's kind of hypocritical.

Another petition this morning was fairness for tuition. Well we know that the NDP froze tuition rates. We know that. Now when we start looking at other jurisdictions that had tuition freezes in the past, they say, you know what, they just don't work, because at some point it's going to catch up with you. Now we have this morning again talking about tuition freezes.

Well I have a question for members opposite. How long would they keep tuition freezes in place, and what would it cost? And they've never sat to even think that far beyond. Mind you, looking in the rear-view mirror you don't see far ahead anyway. But if they wanted to keep tuition freezes for out years, what is the cost going to be? So they have not looked forward at all. We know that. All they do is look in the past.

Now we've got so many good things in this budget, Mr. Deputy Speaker. But I do want to touch on a number of things that my friend and colleague from Rosetown-Elrose — and not from Biggar — had commented on.

[12:15]

But one of them is the property tax cut. Now I find it passing strange from members opposite that they say, well you know, we were going to do that. But it's unfortunate that, for them, they just didn't get around to it. Now we're going to have to build these round tuits for those people because there's so many things they want to take credit for now — we were going to do it — but they just didn't get around to it.

But the historic property tax cuts and what it means for people in my constituency . . . We look at the education property tax on agricultural land. And right in my home area, I believe we have the highest mill rate for education property tax in the province, and it's in the north side of 20 mills.

Now as of this year, as of January 1 of this year, that mill rate on ag land is going to 7.08 mills. That's a significant reduction in education property tax for our ag land in my area, well across the province. And not only that, Mr. Deputy Speaker, but next year it's going down to 3.91 mills. This is huge saving for our agricultural sector.

Now I know members opposite, they were going to get around to it, but they just didn't. And my colleague from Rosetown-Elrose had read the statement from Tommy and talked about it. And so from 1944 until this year, really nothing has been done about education property tax. Nothing. But they were going to do it. They just needed another hundred years or so, I guess.

Now on residential properties also, the mill rates this year will be at 10.08 mills, and next year at 9.51 — another substantial saving. And on commercial property the mill rates will be 15.42 mills this year and 15.10 next year. No wonder the people of this great province are happy with our budget. This is a huge,

huge change in the way of doing business in education, and the people of this province will greatly benefit by this move this government has made.

Now, Mr. Deputy Speaker, another one. And we hear from members opposite also, the children's hospital. They were going to do it but they just didn't get around to it. Well we have. We have put \$200 million in the next two years into a children's hospital in Saskatoon. Our Health budget is very significant; it's over \$4 billion.

Now we look at health as a very valuable instrument in our society. And it's a little different than the member from Saskatoon Eastview, her comment that she made — oh three or four years ago, if members would remember it — where one of their cures for the health system was to die quicker. Well we don't necessarily agree with that. And so we are putting money into the health care system so the people of this great province can benefit from our undertakings.

Mr. Speaker, I can't help but think about the member from Douglas Park when he gets up in his doom and gloom speech about, oh the spending, the spending is out of control; it's a train wreck. Well we know the train wreck — I commented on that in my member's statement — the train wreck happened over the last 16 years. But here we have the member from Douglas Park talking about a 2.1 per cent GDP growth, and how that was out of line with some of his private forecasters. Well he was the former Finance minister and so he should know how the forecasting is done.

But unfortunately he hasn't looked back in his own rear-view mirror far enough because, if you remember the 2003 budget, what was the economic forecast for 2003? I wonder if members would remember 2003 and the NDP forecast was 6.8 per cent — 6.8 per cent. And that was in an economic depressed time.

And what the members opposite would do, they wanted to have a balanced budget so they'd just crank up, as our friend from, at that time Rosthern would say, he'd get up and he'd just . . . They'd just crank up the percentage of GDP so they could get a balanced budget. But 6.8 per cent. And now he has the gall to talk about a 2.1 per cent GDP increase and how it's not feasible. I think the member needs to do a little bit more of his homework.

And I think there's probably something where the opposition gets a little upset too when we talk about spending. You know, Mr. Speaker, they wanted to put \$100 million into the lumber industry, the P.A. [Prince Albert] plant — \$100 million. Well you don't see that in our budget. They wanted to put it into a losing venture and they were happy with that.

But they should have been happy with that, because \$100 million that they would have lost was far less than the \$800 million they lost in the Meadow Lake pulp mill. Now I know we had members opposite say, oh that was a Grant Devine initiative. Well here we go again, and I've used this analogy before. Somebody buys a racehorse and you bet on it and lose money, so you bet on it again and lose money. And that's the NDP mentality — they kept putting money into a losing venture and blamed the buyer of the racehorse because that did come under the Grant Devine days. But they are the ones that kept

losing money at it to the tune of about \$800 million.

Now there was an analysis that was done, and I think if they figured it out correctly that they could have paid every employee over \$200,000 and bought them a home, and the taxpayers of this province would have been better off. But you don't see that in our budget; ours is a go-forward budget, not behind.

The other thing that the NDP were very noted for back in the '90s is their business failures. Well we're looking forward to business growth. But they had a propensity of business failures and I just can't help but come to mind SPUDCO [Saskatchewan Potato Utility Development Company].

Now we've had the member from Regina Coronation Park get up and talk about, he's talk about taking the ability of the Crowns and outsourcing and snapping off pieces and . . . I mean he's really out of tune with it. But one has to keep in mind what they did. Was SPUDCO outsourced, or was that just a venture from SaskWater?

But anyway, Mr. Deputy Speaker, they lost money to the tune of \$35 million — 35 million. And their business failures just go on and on and on to the tune, I might add, of over \$1 billion. Now, now when members opposite say, we were going to do that; we just didn't get around to it. But then they'll come back in the next breath and say, well you guys have the money now where we didn't have the money.

Well I'm suggesting to you, Mr. Deputy Speaker, if they wouldn't have been out in all of these business failures, they would have had the money to do a lot of these programs. A lot of money. A billion dollars is a lot of bucks when you want to put it into a children's hospital or some highways, and it's worthwhile noting some of the ventures that they lost money on.

And I can't help but think that here the NDP government was going to take over bingo in this province. Can you imagine? They lost \$8 million on trying to take over a bingo operation — \$8 million. And again, the dot.coms, they just added up. And now they're talking about outsourcing and snapping off, and yet what did they do? They had all of this money going to various parts of North America, and at great losses to the Canadian, or Saskatchewan taxpayer.

Now Navigata, and Navigata ended up at a \$70 million loss. But then they rolled it into SaskTel where you couldn't actually get out the exact amount that was lost on the venture. But anyway, all of the money lost.

They could've done so much with that money — from highways, as I mentioned; the children's hospital, to put it into hospital. How about some radical thing like reducing the education portion of property tax? With \$1 billion, they could've done quite a bit of reducing the education portion of property tax. What did they do? No, didn't do that. They went into more business failures.

Also it's interesting to note in the critic's remarks, you know, he talks about spending, talks about out-of-control spending. Well when asked, when asked yesterday, the NDP Finance

critic, he was asked, well what would you cut? And what was the answer he gave? He was quiet. He didn't have an answer. He didn't have an answer. Because what would he cut from this budget? Would he cut the children's hospital? Would he cut infrastructure spending? And we know, we know the infrastructure deficit of this province from 16 years of neglect is so huge, it's going to take years and years to come out of this neglect created by the NDP over the 16 years. So would he suggest we cut infrastructure spending? I don't know. It's an interesting question. I wonder what really he would cut out of the budget.

And you know what? You know what is also interesting? Our financial growth and stability fund, there's a key function in there — it's called growth. That's what it's for. It's an insurance policy, but it's also there for growth. Now we have members opposite that are saying, well you drained the fund. You know, I'd like my bank account be drained down to \$1.2 billion. I don't really call that being drained.

But here we have the Finance critic from the NDP saying, you drained the fund. Last year they were saying, you had too much money in the fund. Well we have Mr. Flip and Mr. Flop again. We have, no, you should spend that money down. And this year, no, no, no, you should keep it in there; you said \$2 billion. But here it is — it's a growth fund also and we're putting money into growth in this province.

**Some Hon. Members:** — Hear, hear!

**Mr. Huyghebaert:** — That is something members opposite just don't get. They are dead wrong.

**An Hon. Member:** — They weren't even going to get around to it.

**Mr. Huyghebaert:** — Yes, on that one, on that one, they weren't even going to get around to it.

Now, Mr. Deputy Speaker, I would be remiss if I didn't talk about agriculture, being from a very agrarian area. And here we have the Minister of Agriculture's budget will provide \$4.83 million, an increase of \$177 million or 58 per cent over 2008-2009.

And I want to just talk a little bit about that, because we have seen over the last 16 years what the NDP government did to agriculture. They gutted agriculture programs. They forgot, they forgot that there was a rural component to this province. They totally ignored, ignored the ag sector. And this year, and this year, we're putting our money upfront.

For an example, additional money will fund risk management programs such as crop insurance, AgriStability, and AgriInvest. We went for years, we went for years where the NDP would say, well we don't have the money to do that yet so we can't fund it upfront. And they will say now that, oh they funded it fully at the end of the year. But how do you program that? It's typical of a socialist government — we want to hang on to everything and dole it out a little bit at a time.

We're upfront and honest with the people of Saskatchewan. We're putting the money upfront where farmers and ranchers



will benefit from this knowing that our commitment is there.

Mr. Deputy Speaker, municipalities. I have to talk about municipalities because from this historic initiative of revenue sharing . . . Promise made, promise kept — revenue sharing.

Now we even hear from members opposite that, oh we were going to do that; we were going to get into the revenue sharing. It's just that we didn't get around to it. They need a whole bunch of round tuits over there. Then they could all say they got around to it, finally.

[12:30]

The revenue-sharing program, the municipalities think it's just absolutely great — urban and rural. Lots of comments from the heads of the municipalities already, because now they've got predictable funding. What did they have in the past? What did they have in the past 16 years? Predictability was, I guess we can go and talk to them, see if we can get a few more bucks. Probably didn't get it. No predictability. How do you plan ahead? Of course they never did plan ahead, did they. How do you plan ahead if there's no predictability in your funding? That's kind of the way that the NDP wanted it, kind of keep people under thumb.

But now, now municipalities have a predictable, a predictable source of income at point nine per cent of one point of the PST, and next year it will be at one point of the PST. Very, very predictable, very forward thinking, very doable, and another promise made, promise kept.

Mr. Deputy Speaker, I know there's an awful lot of comments that . . . made by people over this budget and, again, we're going to hear the negative side from members opposite, but I think people of this province should hear some of the good, the good comments that people have made.

There's a couple here that I would just like to put into the record, and I know a couple have been made already, but here's one from an accountant at Meyers Norris Penny: "Generally speaking I like it. I'm going to give it an overall rating of 9 out of 10. There's something for everyone and I believe that it's a fiscally responsible budget. Finally we are seeing some real progress here in the K to 12 funding assessment."

Very, very positive. And, of course, we like Murray Mandryk's little call here. He says that ". . . Sask Party government has now addressed so many long-standing concerns that one really wonders if the NDP has anything legitimately left to criticize." I'm going to suggest they'll try and find something. They'll dig something out someplace, but realistically they are just doing it to fill time talking because really there is nothing for them to criticize. They'll make some fictitious comments or some fictitious statements. They'll find, they'll find some little rock that is not growing grass under it or something and they'll have that in as part of their complaints.

How about the children's hospital, and this is from Brynn Boback-Lane, president and CEO [chief executive officer] of the children's hospital: "Really today is about and dedicated to the children that have been challenged and lost and the children that are challenged and winning. Their fight with illness or

injury, this day is for them."

To get the hospital announcement . . .

**Some Hon. Members:** — Hear, hear!

**Mr. Huyghebaert:** — Absolutely fantastic for the young children of this province and it's interesting to note that, I think, there's only one other jurisdiction in the nation that does not have a children's hospital and I believe it's Prince Edward Island. And again we've heard this talked about for some time but again they didn't get around to it.

Mayor of Saskatoon has a comment here I'd like to read and quote:

. . . this has been a huge step, truly monumental in the sense of provincial government acknowledging what cities have been asking for and so this has been very, very good news for us.

**Some Hon. Members:** — Hear, hear!

**Mr. Huyghebaert:** — And that's on the revenue sharing. Well, Mr. Deputy Speaker, I do know that there's an awful lot of other people that really want to speak to this historic budget, and so I will just end my comments by saying that I'm very, very proud of our budget. I'm very proud of the women and men on this side of the House that worked to put this budget together. I'm very proud of the Premier putting this team together. I'm very proud of the Minister of Finance who presented this historic budget in the House yesterday. And I am very, very proud to support the motion of the budget, and I'm very definitely not going to support the amendment to the motion. So I would be happy to support the motion of the budget, and with that I'd end my comments. Thank you, Mr. Deputy Speaker.

**Some Hon. Members:** — Hear, hear!

**The Acting Speaker (Mr. McMillan):** — I recognize the Minister of Agriculture.

**Hon. Mr. Bjornerud:** — Thank you, Mr. Deputy Speaker. I'm pleased to have the opportunity to speak to this budget today, and I want to join my colleague from Wood River who made the comment that he was very proud to be part of this budget coming forward. Well I also want to echo those comments. I'm really pleased to have the opportunity to be Minister of Agriculture for the Saskatchewan Party and for this province of Saskatchewan.

Mr. Deputy Speaker, this probably, without a doubt, is one of the best budgets ever presented for rural Saskatchewan and, Mr. Speaker . . .

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Bjornerud:** — I've been in this legislature for about 12, going on 13 years, Mr. Speaker, and I have never been more happy with a budget that's come out and actually paid attention to rural Saskatchewan and rural Saskatchewan's needs.

Mr. Speaker, when we come to the agriculture budget that the Finance minister made part of his speech yesterday, we're talking about a budget of \$483 million. Mr. Deputy Speaker, I have to tell you that is the highest amount in any budget day announced in the history of Saskatchewan for agriculture, and I think every member on this side of the House deserves credit. Mr. Deputy Speaker, I am very pleased my colleagues saw fit to support us on this and the need for dollars into agriculture in this province, because they are still one of the main drivers of the economy in Saskatchewan.

Mr. Speaker, I also want to acknowledge my colleague from Canora-Pelly for what he has done for agriculture and rural Saskatchewan in this budget — in fact for all of Saskatchewan, but especially farmers and ranchers right across this province. SARM, farmers, ranchers, everyone from rural Saskatchewan has asked for many, many years — in fact for the 16 years especially that the NDP were in power — for someone to actually come forward and address the problem with education tax on property and, in this case especially, farm land. My colleague from Canora-Pelly saw fit to go out and consult, come back with a plan, along with the member for Rosetown, and actually finally address the issue of education tax on property, and I thank him for that.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Bjornerud:** — Mr. Deputy Speaker, I don't think we can explain here today the effect of what that does for rural producers out . . . as the member, the Deputy Speaker knows, the effect that's going to have to the bottom line of many producers out there. And next year, Mr. Speaker, it's actually even going to get better.

Mr. Deputy Speaker, I want to talk for a minute about the cost of our business risk management programs. And this is something that the members opposite, every year when the budget came out, would not come to the table and fully fund. And what happened by not fully funding it? We got left with a program that doesn't meet the needs of Saskatchewan producers, and it can mainly rest on the members opposite.

Well we're going to fully fund the programs even though the cost has gone up dramatically. AgriStability, Mr. Deputy Speaker, alone has climbed to \$161 million for the province of Saskatchewan. We're going to fund that, Mr. Deputy Speaker. AgriInvest, the new program that the federal government came out with last year, that's climbed to \$39 million provincially. We're going to fund that, Mr. Deputy Speaker. Crop insurance. We went around the province and asked farmers, what changes would you like to see with crop insurance? And about 1,000 producers came out and a number of organizations came out and said, we want these changes incorporated into the program. And we did that. We put 12 of the 16 recommendations in this year, and we're going to spend, the province of Saskatchewan, \$155 million on a crop insurance program. And that is a record amount for the province of Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Bjornerud:** — Mr. Deputy Speaker, we've talked and talked on a number of occasions about expanding regional services — a little bit different than the members opposite about

six, seven years ago when we closed 22 rural service centres. Well, Mr. Speaker, we're not going to open them all up, but we are going to open up three new regional service centres out there, and actually expand extension services across the province. We're not going to compete with the private sector, Mr. Deputy Speaker, but we're going to provide those services that we feel that should've been provided all along for farmers and ranchers across the province.

Mr. Deputy Speaker, we've got a pest control program. We're going to put \$4 million in, part of that being probably mainly for the Southwest where the gopher problem is so bad. We're going to pick up half of the cost of bait, strychnine and other baits out there, because producers are spending thousands upon thousands of dollars that they probably really can't afford, when they've had drought for about four years.

Mr. Deputy Speaker, earlier today we heard that negativity and pessimism come forward, the member for Regina Victoria. Doom got up and spoke to it and then gloom followed and that pessimism, pessimism right across that side. But, Mr. Speaker, the province of Saskatchewan is changing, because when I go out to rural Saskatchewan or go downtown Regina or Saskatoon, I'm coming to the conclusion that there's about 20 people left in this province that are pessimistic about everything, and that's the 20 members opposite.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Bjornerud:** — Mr. Speaker, you can't go in a restaurant, you can't go to a fast food store, you can't anywhere in this province right now where people aren't optimistic about Saskatchewan. And why wouldn't they be? We're almost an island unto ourselves here when you look. You watch the late news at night and you see what's happening in North America, around the world, across Canada, and even now we're starting . . . CNN [Cable News Network] is paying attention to Saskatchewan because we're one of the bright lights right now.

Now we hope for everybody else's sake that the markets start to straighten out, the rest of the country's economy picks up, Mr. Deputy Speaker, but it's really nice to be able to say, I'm from Saskatchewan; I'm a resident of Saskatchewan.

Mr. Deputy Speaker, I want to also talk a little bit about our Crown land sale program, that we're going to try and move land out there that's leased by producers under the ownership of producers, something I feel should've been done a long time ago. Back in the '70s it was the trend of the NDP at that time for the government to own everything.

Remember, Mr. Deputy Speaker, they took over the potash mines. And a government a little bit later on saw fit to put that back in the hands of the private sector. And what do we see today? Potash is providing almost 20 per cent of the revenue of this province. Was that a good move? You bet it was, Mr. Deputy Speaker.

And that compares to what we're trying to do to some degree with the Crown land out there that we have leased to people across this province. We want to put it back in their hands. Let them look after that land because they are, without a doubt, the best stewards of the land in this province.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Bjornerud:** — Mr. Speaker, earlier today we introduced Dave Marit up there, the president of SARM. And I want to talk and thank my colleague, the minister of Municipal Government for the new revenue-sharing deal. Also that change, I think, has been long overdue, and I thank him for bringing that forward.

But I don't think, we can't even come close to saying how much effect that has on to RMs [rural municipality] and rural municipalities across Saskatchewan, where they actually know what their funding is going to be. And the better the province does, the better their funding goes. And they've been asking for that for years, Mr. Speaker, and I think they're very happy to see that in yesterday's budget.

In fact, Mr. Deputy Speaker, I know they are happy about that. And even though my colleague from Rosetown quoted Dave Marit from SARM, I also think it's worth saying again that Dave Marit says this is "... the best budget for rural Saskatchewan in history ... With this budget, Saskatchewan is truly open for business."

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Bjornerud:** — Mr. Speaker, I don't believe Dave Marit said that lightly because if there's things he disagrees with us, I'm sure he'll be vocal on. But he knows how important what happened yesterday in some of the announcements made are to the people that he represents right across this province.

Mr. Deputy Speaker, another quote that I saw from yesterday is from Greg Marshall the president of APAS [Agricultural Producers Association of Saskatchewan]. He said, "I thought it was a very positive budget for rural Saskatchewan ... The government did a 'great job of listening.'"

Now isn't that contrary to what the members opposite keep saying, that this government doesn't consult with people out there? Well my colleague from Canora-Pelly, the member for Rosetown certainly did consult, and that's why they're getting such a favourable response to addressing the education tax issue.

Mr. Speaker, I also want to read a quote too into the record today from Ed Bothner, president of the Stock Growers, represents a big part of our livestock industry in this province. And Ed says:

We are pleased to see that agriculture is back on the provincial government's radar. It's been decades since our industry has received this level of attention and support from the provincial government.

We applaud Premier Wall, Agriculture Minister Bjornerud, Education Minister Ken Krawetz and their government for recognizing that agriculture continues to be a backbone industry for the province that offers incredible potential over the long term.

And I thank Mr. Bothner for those comments.

Mark Elford, vice-president of the Stock Growers, this budget "... puts agriculture back on the list ... I'm delighted, this is the best we've seen for a long time."

**Some Hon. Members:** — Hear, hear!

[12:45]

**Hon. Mr. Bjornerud:** — Mr. Deputy Speaker, I also want to quote Marilyn Braun-Pollon, Canadian Federation of Independent Business on the 58 per cent increase to the Ag budget. And she says, "This is money now invested in sustainable programs for the future."

So, Mr. Speaker, all of these people that we've quoted here today, I think, realize that what we're doing here is building an economy in this province that's sustainable but is for everyone in Saskatchewan and for their benefit. There's good times here. We're not pessimistic about it like members opposite. And I think the people of Saskatchewan can also see the benefit of what's happening right now.

Mr. Speaker, I want to take a minute, too, and mention something that really doesn't pertain to agriculture, but it certainly affects people of rural Saskatchewan. And that's the new children's hospital we announced yesterday in the city of Saskatoon. And I have to mention all my colleagues from the city up there who worked so hard to make this happen. But there's a lot of families out there, whether it's farm families, livestock producers — it doesn't matter what part of the sector that they work in — that have children that have the need at time to time for something like a children's hospital in Saskatoon. And I think that will be applauded right across rural Saskatchewan.

You know, Mr. Deputy Speaker, isn't this different from 1991 when a new government came to power and they saw fit to deal with their problems they said they had, and they closed 52 hospitals across rural Saskatchewan. Let's not ever forget what happened out there in rural Saskatchewan because now what we see — and the Minister of Health is addressing that issue right now today and ongoing — we chased nurses out of this province, we chased doctors out of this province, and we cut health care for all of rural Saskatchewan.

Well those days are over, Mr. Deputy Speaker. The Minister of Health is addressing that issue. He's working to retain and keep nurses in this province but also bring them — more nurses and doctors — back in here. And again, for rural Saskatchewan this is just a win-win, Mr. Speaker. And I'd like to thank my colleague the Minister of Health for that.

Mr. Speaker, I want to talk a little bit about the new Growing Forward program which is another \$5 million program that we included in the budget yesterday. What we're working on in this part of the new Growing Forward program is expanding the water program that we had for the Southwest. My colleagues from the Southwest helped design a program out there.

And Dave Marit, once again, Doug Steele, and Larry Grant worked very hard to put a program together for the Southwest because of the drought. Well, Mr. Deputy Speaker, we're working with the federal government, and very shortly I'm

hoping to be signed on to this agreement where we can announce the province-wide water program for every producer in the province of Saskatchewan.

We're also going to work with environmental farm planning under the Growing Forward program. Innovation and research, something that we put in excess of \$14 million for this year, Mr. Speaker, and that was an increase last year of \$2 million for research. And I believe, Mr. Deputy Speaker, this is so important for the producers in Saskatchewan. Research is going to play a tremendous part in the future of this province.

Mr. Deputy Speaker, I also want to talk a bit about extension services. I touched on it a bit before. But much to my amazement, when we went around the province seeing what we were providing for extension services, we actually found where one office even had the door locked because they weren't really allowed to provide extension services. There was another office that didn't even have a sign on. I believe it was the one in Moose Jaw that didn't have a sign on that was welcoming producers in to take advantage of what they have there.

Well, Mr. Deputy Speaker, we've certainly changed that out there. We'll be having signs on every office in this province. We'll be welcoming producers from every part of this province back into the program where we can provide service for these producers right across the province. And, Mr. Deputy Speaker, I appreciate the opportunity to be able to provide that service through our government for the producers across there.

So, Mr. Deputy Speaker, I'd like to go on and on. There's so many good things, I think, happening in this province. But I think, especially in agriculture, there's been a lot of changes made in the last 16 months. I think there's been a lot of needs addressed out there that rural Saskatchewan has been asking for. Is there more we can do? You bet there is, Mr. Deputy Speaker. But we made a big dint in that yesterday. And I'm really proud to be part of a Saskatchewan Party government that pays attention to rural Saskatchewan. Thank you.

**Some Hon. Members:** — Hear, hear!

**The Acting Speaker (Mr. McMillan):** — I recognize the Deputy House Leader.

**Hon. Ms. Harpauer:** — Thank you, Mr. Deputy Speaker. Considering the hour, I move this House do now adjourn.

**The Acting Speaker (Mr. McMillan):** — Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Acting Speaker (Mr. McMillan):** — Carried. This House now adjourns until 1:30 on Monday.

We're going to back up for a moment. I recognize the Minister of Agriculture.

**Hon. Mr. Bjornerud:** — Thank you, Mr. Speaker. I know a number of my colleagues would like me to start over, but at this point I probably will just say I'd like to adjourn debate.

**The Acting Speaker (Mr. McMillan):** — Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Acting Speaker (Mr. McMillan):** — I recognize the Deputy House Leader.

**Hon. Ms. Harpauer:** — Thank you, Mr. Deputy Speaker. Considering the hour, I do now move that the House do now adjourn.

**The Acting Speaker (Mr. McMillan):** — And does the House adopt the motion?

**Some Hon. Members:** — Agreed.

**The Acting Speaker (Mr. McMillan):** — Carried. This House do now adjourn.

[The Assembly adjourned at 12:52.]

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Minister Responsible for Saskatchewan  
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