

THIRD SESSION - TWENTY-SEVENTH LEGISLATURE

of the

# Legislative Assembly of Saskatchewan

## DEBATES and PROCEEDINGS

(HANSARD) Published under the authority of The Honourable Dan D'Autremont Speaker

N.S. VOL. 56 NO. 24A WEDNESDAY, DECEMBER 4, 2013, 13:30

### **Bill No. 109 – *The Labour-sponsored Venture Capital Corporations Amendment Act, 2013***

**Mr. Forbes:** Thank you very much, Mr. Speaker. It's a pleasure to rise into the debate on Bill 109, *The Labour-sponsored Venture Capital Corporations Amendment Act, 2013*. And it's an important piece of legislation because, you know, as we know, investment is critical to the province of Saskatchewan and that we get it right and of course that these kind of things also have a major interplay with the federal government because of the tax incentives that are in play.

And we understand now that the federal government is backing off on some of the tax incentives that have been in place for a number of years for these funds. So we need to monitor the ability of these corporations and make sure that these funds can attract new investment. It's pretty important that they do. We see the kind of good work that these funds do and that investments do in our province. And clearly when an economy is doing well, it's critical that entrepreneurs and the business community take advantage of the pools of money that are out there, and if there can be a good working relationship between the two, then it's important to be able to do that good work and make sure investment happens in Saskatchewan.

And I do want to reflect on what the minister responsible had to say about this back on November 26th. He talks about that the Act be amended so it can prescribe in regulation a percentage of pooled funds' annual capital that must be invested into innovation type of investments, and that the minister will set the form by which tax credits will be issued to investors in the future, and some other housekeeping that goes along with that.

So it's really important that we do think about this in terms of innovation. And you know, today we had folks in the gallery today from the agricultural sector. And the point was made in terms of not only are we living within the challenges of our natural environment and the weather and such, but you know, a big factor in how we succeed is the innovation and what we do, and whether that's been agriculture and health, anywhere where . . . in

mining with resource extraction, that if we can encourage that kind of entrepreneurial, innovative way of approaching business. This would be really important. So he talks about the great track record. The minister talks about our researchers, developers, entrepreneurs already have a great track record of introducing or improving products into the Saskatchewan marketplace. And I agree that's a great record, and as the minister says, we need to do more. And that's very important.

I note that he talks about how these labour-sponsored venture capital corporations have been prudently supporting provincial businesses. In fact they're investing funds from more than 40,000 Saskatchewan people. So that's a good thing. That's a really good thing. So we need to make sure that we keep this going, that we have a way of stimulating our innovative sector and how we can make sure that not only do we have the inventions, the ideas, the approaches to how we can be more effective, how we can meet more needs, that in fact that we take that invention to innovation and have it . . . applications within the economy.

And so this is a critical piece. And when you have funds that are supported by some 40,000 people, clearly, clearly this is important legislation to make sure. It is unfortunate and I'm not sure what the reasons were that the federal government backed off on some of the tax incentives, but we need to make sure that there is still work that they can do.

So the Minister of Economy is suggesting that we want to see the various funds increase the amount of innovation investments in the portfolio by up to 25 per cent by 2016. And that's only a few short years from now, so this is very, very important. So this is critically important.

It does seem though that more power is being given to cabinet to pass regulations, and that is a worrisome trend that we see with this government, that they actually have . . . that they're doing more with that.

So as we have said many times and we will continue to say it, where it makes common sense to support a government initiative, then we will be there. And of course in this kind of investment we want to make sure it makes common sense, and we'll be there. If not, we'll have questions because we don't want to allow this government to continue on some of their paths that they've seemed to have chosen where they're being more secretive, more dismissive, and that's unfortunate. You can't . . . This needs to be transparent and accountable, especially when you come to this kind of investment environment. So that's hugely, hugely important.

So we have a lot of questions about, who have they consulted? Where is the ideas? Where have they come from? Is this the right track for investment? So those will be the kind of questions we have in committee on this. Have they listened to the people involved? And what was their advice? Did they listen to it? Did they not? We have concerns that quite often they seem a little dismissive about it, and we have some concerns about that.

So with that, Mr. Speaker, I know many of my colleagues will want to speak on many

topics today. But this particular bill, Bill No. 109, *The Labour-sponsored Venture Capital Corporations Amendment Act, 2013*, I move that it be adjourned, Mr. Speaker.