

EVENING SITTING

COMMITTEE OF THE WHOLE

Bill No. 23 — The Rural Municipality  
Amendment Act, 2001

**The Chair:** — Will the minister please introduce his officials.

**Hon. Mr. Osika:** — Yes, thank you, Mr. Chairman. On my immediate left, Mr. Keith Comstock, who is the acting executive director program policy development; Mr. Ken Kolb, who is sitting to my right, senior policy analyst; Mr. Gordon Hubbard, who is the acting manager, advisory services; and Ms. Lynnette Scarlud . . . (inaudible interjection) . . . Skaalrud — I'm sorry, I apologize for that — who is legislation and regulation specialist.

Clause 1

**Mr. Bjornerud:** — Thank you, Mr. Chair, and welcome, Mr. Minister, and welcome to your officials tonight. Being that it's such a nice night outside I would maybe suggest that we move our chairs outside on the lawn. I think it would make for a lot better evening. But seeing we don't have that choice I guess we'll go forward here, Mr. Minister.

Mr. Minister, we have agreed to deal with the rural municipal bill first and I believe that's where we have most of our questions, but I think many of our questions would actually have been duplicated in the other Bills. I think we can go through them here and cover them here.

I realize in the Bill that I think the biggest factor that we're dealing here is with the impediments to amalgamation. So maybe, Mr. Minister, if we could start by, and it might shorten up our questions, if you could just run through the impediments that we're removing here to amalgamation and the problems that they had before, that this Bill will actually remove and make it easier to amalgamate.

**Hon. Mr. Osika:** — Thank you, Mr. Chairman, and to the member I apologize for the delay. There are a number of impediments, as you know, there were two main focuses to get government out of the face of local governments, municipal governments; and the other was to remove the impediments that the members asked about for restructuring. I'll go through these. I can give you a copy of these. I can send a copy to the member or I can just list them in detail. I'll shrink them down.

Primarily, first of all, to clarify that references to municipality, rural municipality, include municipal districts. To change the requirements for the Lieutenant Governor in Council to issue orders to dissolve and urban municipality introduce provisions of a minister's order in these cases. So it eases that process and to provide legislative authority for urban municipalities to directly become an organized hamlet without the need for any reversion.

Provide for issuance of restructuring orders, clarify the effect of restructuring of former municipalities; provide for application of The Urban Municipality Act (1984) in restructured

municipalities. And a great deal of these you will see will be to allow adjacent municipalities, hamlets, villages to enter into their own agreements to decide how they want to call themselves and how they want to incorporate and how they are going to share one another's opportunities for equipment and administration and so on.

And one of the important things is to provide discretionary authority for councils to delegate certain municipal functions to a community advisory committee and to confirm that members of community advisory committees will have the same protection against personal liability as would an employee of the municipality.

The list does go on and I would be prepared to continue if the member so wishes.

**Mr. Bjornerud:** — Thank you, Mr. Minister. I think we get the idea and I think we understand what you've removed here. I just wanted you to kind of touch on that.

Mr. Minister, do you have any number in mind that you'd like to see in the long term like a number of districts out in the province. When we talked about forced amalgamation, I think Mr. Garcia had talked possibly of 14. Do you have a set number in your mind that 10 years down the road or 5 years down the road you'd like to see actually eventually be determined within the province?

**Hon. Mr. Osika:** — Mr. Chairman, just to clarify again that the intent is to allow municipalities of their own accord to enter into whatever agreements, arrangements, with neighbouring municipalities, hamlets, villages. There is no number. It's purely voluntary and I feel confident that the people, the elected officials, the leaders in those communities, will make those decisions that will benefit the municipalities that may become involved in these kinds of restructuring discussions.

**Mr. Bjornerud:** — Thank you, Mr. Speaker. As you know, Mr. Minister, I was one that was very much against the forced issue of amalgamation and I'm not just sure we didn't set the whole process back a bit with the idea of forced amalgamation.

Have you talked with SARM (Saskatchewan Association of Rural Municipalities) at all? Have you discussed what may be coming in the future? They maybe have a better feel than you do or I do about where they are going in the future. Are they getting much talk out there in the rural municipal end of it with villages, towns, or whatever that some of this is going to start to happen.

I know in my area I had the I think it was the . . . it was the RM (rural municipality) of Calder and the Village of Wroxton voluntarily did it and it's working to my understanding very, very well to the betterment of the ratepayers in both areas. It's working very well.

Do you get a feel from SARM, is there a movement starting? Are they talking out there? What's the feeling?

**Hon. Mr. Osika:** — Mr. Chairman, there's been no specific discussions with SARM. I believe that what will happen . . .

perhaps folks are just waiting to see what these legislative changes will allow them to do.

I know, and as the member has indicated, Mr. Chair, that these changes have been welcomed and it's as a result of the input from municipalities. But with respect to specific discussions about what areas or what communities, that has not been discussed to any extent at all.

And what the member has mentioned about the voluntary restructuring, there have been others; I believe the RM of Pelly. So I do believe it will come as people recognize the positive advantages in their best interests and the best interests of those communities that they serve. I believe you'll see that unfold and evolve as time goes on. And once the administrators and the leaders, the reeves, the mayors of the different villages and councils will recognize the autonomy that these legislative changes will give them in moving forward.

**Mr. Bjornerud:** — Thank you, Mr. Minister, and I agree with that. I think we're going to get to the point. I think we saw in the session this year where our water and sewer has become a very big issue with communities out there, and I think as we see the cost of restructuring some of these that may be 30, 40 years old out there, we may see the necessity for amalgamation happen a lot quicker than maybe even you or me could feature in the long run.

I think through necessity this may happen, and I think . . . I know I am, I am very glad to see the Bill removing these impediments to let this happen out there if the ratepayers so wish. I feel, and I think you maybe agree with me, Mr. Minister, that if the people out there, the ratepayers out there do it under their own supervision and of their own will, I think they're going to be a lot more satisfied with where they end up.

Mr. Minister, when a new district is set up for an amalgamation of two or more municipalities joined together — and if I'm trying to read into the Bill and get the proper reading of this — do you, as minister, have the final say though in the okay or denial of this amalgamation to go forward and the restructuring of a municipal body. Do you, as minister, still have the right to say, no this can't happen or yes it will happen?

**Hon. Mr. Osika:** — When all the information comes to the minister's office, there is an order that would be signed by myself. It would be a minister's order based on the information and probably ensuring that the information is . . . both are compatible and agreeable to . . . I would want to be sure, to the member, Mr. Chair, that both parties were in total agreement under the framework that's available to them. And if there were any question coming out of the information that's supplied, I think in all fairness there would need to be clarification.

And I can't think of, offhand, under which circumstances that there may be a denial. Given what's transpired over the last year or so, I'm not sure there would be any conditions that would elicit a denial from the minister's office to not allow that amalgamation to take place as long as both parties, or several parties, whomever it might be, have attested to the fact that they agree with all the terms and conditions and have resolved how they're going to share their services, their administration. And I guess just in simple terms, as long as everybody's happy with

their own agreement and arrangement, it would be difficult to deny the positive effects of that kind of a union.

**Mr. Bjornerud:** — Thank you, Mr. Minister. You actually answered my next question because I was kind of wondering at what point or for what reason you may deny the amalgamation of any type of municipalities out there, and you've actually answered that.

Do you or your department have any preference to the way this would be done, whether it's a village and an RM, or four RMs? Is there a set . . . do you have a predetermined pattern that you would like to see start as these districts are set up, or is it free for the municipalities to do whatever they wish? I think you mentioned that before, but I guess I'm wondering if you have a preference for what you would like to see happen out there in rural Saskatchewan.

**Hon. Mr. Osika:** — Mr. Chairman, that's a good question, and I want to assure the member that there is no preconceived notions as to what we would impose on municipalities, hamlets, or villages. That would be totally their decision and I would rely on their good conscience, their deliberations, and their ideas to ensure that whatever agreements were entered into were such that they would be administratively manageable.

(19:15)

But having said that, I have confidence in those community leaders in making those decisions before they made the request. And by the way, just to add, once there's satisfaction with all the information from all the parties involved, then the legislation says:

The Minister shall issue that order.

So as long as everything's in place and the i's are dotted and the t's are crossed, then it's incumbent on the minister to sign that order.

But again, just to underline the response to the question asked by the member. That again would be left to the decision-making process of the local leaders to decide what they felt would be in the best interests.

**Mr. Bjornerud:** — Thank you, Mr. Minister. I wasn't fishing to see if you had an ulterior motive here behind the scenes although I was a wee bit interested.

Mr. Minister, it's my understanding the way this would work that when a new district was being set up, no matter how many municipalities involved, that the councils would cease to exist in every entity out there. Is there some type of a set-up within or a system set up within here that an interim council would be set up, or how would that work? Or else the municipality of a new district would actually have to function without a municipal body. Can you explain how that would work when it's in the formation process?

**Hon. Mr. Osika:** — Mr. Chairman, part of the request for that restructuring would need to contain the information on the agreement reached between the two jurisdictions or three or whatever, and they would include in that how they anticipate or

how they would expect to govern. That would all need to be in place prior to the order being signed.

In the meantime, in that transition stage, business would continue as usual. The technical business would continue as usual, but by that time, with the agreement of the parties involved, the final, the final nail would be the signing of the order. But everything would have to be in place as to how they intended on governance prior to, prior to even having that order signed.

There could not be a request for restructuring without having all this . . . all these other details that are important to those communities in place so that they could proceed as soon as the order is signed.

**Mr. Bjornerud:** — So if I'm understanding you right, Mr. Minister, I would think that would probably happen in most cases is that the councils that are in place now — take for an example the RM councils, the village council, town councils — would probably stay in place until the actual point where the new elections would take place, just as our elections do every three years and two years. But these councils would probably stay in place, do their duties as they usually do until a new body was in place to take over. I guess my concern is that we may go through a period of time if that didn't happen with absolutely no body sitting out there to control what is going out there and to actually run the day-to-day operations of RMs in towns.

**Hon. Mr. Osika:** — I'm told that there would be an effective date for the order which would coincide with the elections, so the member's absolutely correct that there would be governance, local governance, until everything was in place, the order was signed, and an election take place for the new governance structure.

**Mr. Bjornerud:** — Thank you, Mr. Minister. I want to just change gears here a bit, Mr. Minister, and still talking about districts and that, but I want to get into the point where there's been a wee bit of confusion in the Bill here. Some of us are reading it one way; some are reading it the other way.

But how it affects the right to vote in more than one municipality. I know in urban, you vote in one and you only have that right to vote in one. But in rural, if you have land — if I'm understanding this — you know we could vote here, but if we had land we could vote here. Does that change this in any way? Because some of us are reading it one way and saying, well now we're removing the right to vote. We have to choose if we reside in this RM say for an example, but we own land over here, we don't have the right to vote. Myself I don't read that into here and I'd like your clarification on that.

**Hon. Mr. Osika:** — That's an important question and in order for me to get the clarification I wanted to make sure, because having read it, it allows an individual who lives in one RM and owns land in another can vote in both because of that ownership status and assessment on that land.

**Mr. Bjornerud:** — Can I get . . . I'm sorry, Mr. Minister, could I get you to repeat that? I'm not quite sure I understood that. Is what you're saying is you still have the right as you did before? You can vote in this one, you can vote in that one. That was my

question I think, Mr. Minister.

Now for an example, if you say we get a lot of large farmers out there that may have 10,000, 20,000 acres right now where they may end up voting in four or five different areas. If they're all within one municipal district, I would presume that they would be back to the one vote within that district would they not?

**Hon. Mr. Osika:** — Yes, there would be one vote within a division wherein they had the highest assessment or where they resided I guess. That's clear.

**Mr. Bjornerud:** — Okay, and I'm not trying to belabour the point here but I think we, as farmers out there, need clarification, and for that matter people that live in the urban areas, I think they're quite interested in this too.

Should a farmer have land — and this is quite possible — in two or three districts, depending on where the boundaries are set up, would he then still have the right to vote in two districts, three districts, whatever it is?

**Hon. Mr. Osika:** — Yes, under the legislation, yes.

**Mr. Bjornerud:** — Okay, thank you, Mr. Minister. I think that clarifies that completely for us and kind of settles some arguments that we've had on this side between some of the members over here.

Maybe, Mr. Minister, we talk about municipal service areas and the ability to provide special services. Could you maybe touch on that a little bit, Mr. Minister, and explain what we're talking about there?

**Hon. Mr. Osika:** — Mr. Chairman, the purposes of that particular clause is to designate service areas, for example in those situations where you have an urban and a rural municipality that restructure, amalgamate.

The designated service areas would be those for street lighting, specific street lighting; garbage pickup perhaps; and those services that would not be . . . would not be extended to the rural municipality in a similar fashion. There would be a need for different kind of services in that special service needs area. And that would allow again the governance of that new . . . new co-operative if you wish, to determine what services and what special areas require what special services.

But that would be determined again during the course of the consultations and the agreements to make sure that people were looked after as they had been looked after, and perhaps in some cases even services enhanced because of whatever situation.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Mr. Minister, has much thought been given to . . . and I think you've probably heard this, and I know I've heard it many times out there, is that RM councils that may be in very good condition out there financially, very stable, and have been approached by a village or I guess possibly even a town for that matter, maybe a little larger entity, where the town, their infrastructure . . . say again, going back to water and sewer, it could be I suppose some of the machinery that's involved in some of those towns such as graders and stuff like that are getting very old.

I think some of the RMs are somewhat concerned with the fact that there may be a cost involved once they are drew together that they may have to not only provide this service but, in some cases, provide an upgrading of the water, sewer, and things like that. Has that been taken into consideration, how we could . . . I think this would be a great attribute to what we are trying to do here or what we are trying to enable them to do. Have you got some comments on that, Mr. Minister?

**Hon. Mr. Osika:** — That's a very good question and I can appreciate the member's not necessarily concern but good point about a poorer neighbour taking advantage of the richer one. That would all be hammered out in the agreement beforehand. Again, and there could be levies . . . there would have to be in the agreement the levies that might be placed differently as a result of a situation that's been explained.

So it allows for flexibility, and again it would all have to stem as a result of discussion and agreement ultimately to offset, if you wish, or ensure that the ratepayers from both municipalities or whichever were involved were satisfied with the agreements that were reached, that it was not a matter of taking advantage of the benefits of a partner that they were entering into a partnership with. So that would have to be hammered out and made very, very clear at the outset.

**Mr. Bjornerud:** — Thank you, Mr. Minister. I understand what you're saying. That wasn't exactly what I was asking. I guess what I was asking is that, has municipal government, your department thought of, whether through the infrastructure program or maybe a special fund set up to assist amalgamations, have you thought of having some money put away in a fund there to assist this? I guess what I'm saying is I think it would happen a lot quicker if we were there to assist them a wee bit in some of these situations, maybe all of them.

**Hon. Mr. Osika:** — Mr. Chairman, that's an excellent issue or matter that the member has raised. I want to point out . . . I don't want to elude that particular question because I think it's a good one. I think it's one that needs serious consideration. It is a budgetary issue, not a legislative one and one that certainly has crossed my mind in the direction that the member has mentioned, that if there are situations that may need some assistance to overcome some impediments to a good thing.

But at this point, nothing like that is available, but there is consideration because I do believe that's a valid point that the member has raised. And again, as I say, it's a budgetary issue that will need to be considered and discussed and follow the process with respect to availability of finances for that type of a move or an approach.

(19:30)

**Mr. Bjornerud:** — Well thank you, Mr. Minister. And I'm kind of optimistic to hear what you're saying there. I think we're heading in the right direction. I just think that with the infrastructures as old as they are out there . . . I know in many of our small towns, it was even in the '50s and '60s that some of these waterlines were put in and sewer lines were put in. And I think for an RM to jump in there knowing that these are that old — you know these systems are that old — and knowing what the cost would be to replace some of these, I think would

scare them off very quickly. And I think unless they have it determined how this would work . . . and you have talked about they would have to have this all set up ahead of time whether it's through levies for the people that live in the small community. But I think possibly if in our next future budgets that we could look at something like that I think we can help speed up this process.

My counterpart for North Battleford — and I want to go back to the voting for a minute — brought up a different scenario that we maybe missed in clarifying this. Should a district be set up . . . district 1, say for an example, and district 2 over here. If a taxpayer lives in a town — say in urban Saskatchewan — a small town out there in one district and lives in an RM, has a farm in an RM in another district, would he get to vote in both districts? Would he have a vote in the urban on one side and the rural on the other?

**Hon. Mr. Osika:** — To the member again, just to make sure that there's no confusion, the question was if he lived in one district and had land in another district. The answer is that yes that person could vote in each of those two districts.

Now just to make sure there's no confusion, if it's within the same district . . . and it would all be one anyway whether it's a hamlet or an urban or whatever. And if there's any confusion about that, I want to try and clarify so there isn't. But if it's separate districts, yes. The answer's yes.

**Mr. Bjornerud:** — Thank you, Mr. Minister. I think that's what we had thought even though one was an urban area he was living in and the other district was a rural, he would still be able to vote in both areas. And it's understandable that if it was all within one district you only get one vote, although we in rural Saskatchewan like as many votes as we can get. There's less of us all the time.

Mr. Minister, I want to talk for a minute about the tax discount and the changes within the Bill here. I believe now the minister has the power to determine the rate of discount for prompt payment or early payment. Why was this done, Mr. Minister, and what will that rate be?

**Hon. Mr. Osika:** — Mr. Chair, the same as the urban people through their bylaws. It would be those councils that would place their discounts on the tax payments; on the advanced tax payments. So it would be up to the . . . it would be by bylaw that those municipalities would be allowed to set their own rules and their own discounts.

**Mr. Bjornerud:** — Thank you, Mr. Minister. So I'm not reading that right then. What I read into that Bill was that the minister would have the power to set those rates. And what you're saying, actually, the municipal districts through bylaw would set their own rates as they have before?

**Hon. Mr. Osika:** — The minister would have the right to set the maximum rates of discount but that would only occur if it created a great deal of problems if something really serious happened and preferably that would not occur. So there is the option of setting the maximum rate that can be applied for discounts, but not likely it would happen.

**Mr. Bjornerud:** — So actually the municipalities out there as long as they were under the cap that you put on if you should do that it would be 2 per cent, 3 percent whatever for whatever time they have that right. Thank you, Mr. Minister.

Mr. Minister, can you explain the conflict of interest rules for those serving on councils have been changed by this Bill? I think we touch on it, do we not in there?

**Hon. Mr. Osika:** — Mr. Chair, I'll just refer to the portion of legislation which provides authority for municipalities to adopt more rigorous conflict of interest guidelines for council members by using provisions within The Members' Conflict of Interest Act so it does give them more latitude to be more stringent that . . . if they see it necessary, so it gives them that autonomy.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Would those rules then also apply to those serving on community advisory committees?

**Hon. Mr. Osika:** — Mr. Chair, it would be the council that would set the rules for the community advisory committee. So it'd be up to the council and they could make them as strict or as lenient as they wish, within those guidelines.

**Mr. Bjornerud:** — Thank you, Mr. Minister. I think that's all the questions we have on the rural Bill right now, Mr. Chair, so we would move on.

Clause 1 agreed to.

Clauses 2 to 46 inclusive agreed to.

The committee agreed to report the Bill.

**Hon. Mr. Lautermilch:** — Yes, ask leave to introduce guests.

Leave granted.

#### INTRODUCTION OF GUESTS

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chairman. I'd like to say a special hello to two guests in the Speaker's gallery, John and Anne Penner. John, as members will know, was a member of this legislature and a minister of the Crown for a number of years, and he served in a number of different portfolios, and I think fair to say that he was a very capable and confident member. And so John, it's good to see you back here as we're winding through legislation, and I hope you have some fond memories when you watch what's going on here tonight.

**Hon. Members:** Hear, hear!

**Mr. Heppner:** — Leave to introduce guests.

Leave granted.

**Mr. Heppner:** — I'd also like to welcome the Penners here this evening. John and I taught together in the Swift Current collegiate system a long time ago, and I'm also sure he has some good memories of this place. And I wish to assure him that he should probably stay because I can also assure him he's

very much needed. So would you join me in welcoming him here.

**Hon. Members:** Hear, hear!

(19:45)

#### Bill No. 24 — The Urban Municipality Amendment Act, 2001

**The Deputy Chair:** — Does the minister have any new officials to introduce?

**Hon. Mr. Osika:** — The same officials as for the previous Bill, Mr. Chairman, are here to assist us. I can reintroduce them if you wish. Thank you.

#### Clause 1

**Mr. Bjornerud:** — Thank you, Mr. Chair. Mr. Minister, many of our questions I think were answered through the rural Bill that were very . . . (inaudible) . . . Was there any differences though in the urban Bill and the rural Bill when we're talking about the amalgamation issue? Was there anything you added into the urban one you may have not have added into the rural, and vice versa?

**Hon. Mr. Osika:** — We were talking previously about the removal of impediments to restructuring. I'm not sure whether I mentioned that, although we did have a question about the special tax levies to accommodate new circumstances due to amalgamations, that will be a removal of an impediment that's in place for voluntary restructuring.

Of course, the expanded potential for the dissolution of urban municipalities. The others, municipal ward commissions now will be the responsibility of the council and as . . . previously it was not. And the main things here as well as it was for The Rural Municipality Amendment Act was the reduction in provincial involvement in local decision-making. And I don't think we really talked too much about that for The Rural Municipality Act.

But there are some things here that I believe are important. That the province is going to remove ministerial approval of land subclasses for the purpose of applying local tax tools. That will be left to the local communities.

Removal of the Highway Traffic Board approval of local bylaws. That will be up to the local restructured community.

Statutory restrictions on hiring administrators. That was an important one I believe to those RMs.

The removal of the minister's prescription of various financial reporting forms. So there will be a reduction in some of the red tape and paperwork.

Improved flexibility for records retention and disposal. That again will be left up to local governance.

And there will be an approved ability to dispose of assets and use proceeds for local priorities and manage capital funds with

no restrictions placed on how that restructured community can utilize that capital.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Disposal of assets, Mr. Minister, could you maybe give me some examples of what you had in mind when you dealt with that? I think I'm understanding what you're talking about here. Could you maybe just give me a little bit of clarification on that?

**Hon. Mr. Osika:** — I apologize to the member. I missed that, the request for clarification.

**Mr. Bjornerud:** — Thank you, Mr. Minister. I just wondered, you talked about the disposal of assets. And I presume what you're talking about here is when a new district is set up and there may be a duplication of equipment or buildings or whatever that is, and is that what you're talking about here when you're talking about disposal of assets?

**Hon. Mr. Osika:** — I'm told that prior to this legislation, it was . . . the municipalities had to request permission from the minister's office to dispose of assets and also for permission to use certain assets for specific purposes. With the change in this legislation, there will not be a need for that process, and once again it will give the autonomy to local governments, to those community leaders, to make up their minds and to make the decisions as to how to best apply whatever assets, disposal, and capital that they may receive from sale of goods and where they might apply those monies.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Mr. Minister, we've been . . . a House amendment has been distributed here. Could I just ask you just give us a quick clarification of what you're doing in the House amendment so that it may meet with our approval very quickly if we could understand what you're doing here.

**Hon. Mr. Osika:** — Mr. Chairman, I do have the notes, and the purpose of the amendment is to correct an oversight during the drafting process. The proposing the amendment . . . and I will be proposing that when we get to that particular area. The proposal is that the subsection 60(2) be stricken and substituted with a provision that makes subsections 46(1) and (3), 47(2) and (3), 48(2), and 49(2) effective upon assent of the Bill and deemed to be in force since January 1, 2001. It was an oversight in the drafting of the Bill, and this is meant to correct that to ensure that it becomes effective January 1, 2001.

It was our intention to provide the cities with the authority to establish subclasses of property for the purposes of applying any of the municipal tax tools available to municipalities retroactive to January 1 of 2001 to coincide with the 2001 municipal tax year.

So regrettably there was an oversight. This House amendment is merely to correct that oversight and ensure that the intent of allowing municipalities perhaps some better options for the current year would be in effect.

**Mr. Bjornerud:** — Thank you, Mr. Minister, for that explanation. Mr. Minister, to go on with a few more questions we have on the urban Bill, as far as the municipal districts are concerned, do they have a choice or not whether to run or not to

run with the ward system? Or are they required to be divided into wards as the health districts are?

**Hon. Mr. Osika:** — Mr. Chairman, and once again this is good news I believe, that they will have a choice on how they choose to direct their operations and what method they choose to proceed by. So that will be left to their good discretion.

**Mr. Bjornerud:** — Mr. Minister, we've had some concern brought to us about one part of the Bill and that's to do with the minister's power to dissolve villages of less than 100 by a simple order.

And I guess, I think we can both understand their concern out there that . . . what are you, what are you actually trying to do with this part of the Bill? I think they have some concern that — and maybe because of a little mistrust from when we were talking about the forced amalgamation — but I think they have concerns about what you are doing with this part of the Bill.

**Hon. Mr. Osika:** — Mr. Chair, to the member, that would occur only under extraordinary circumstances, where for some reason or other there was no council and there was a situation where it was deemed absolutely necessary in order to allow some other process to proceed.

So it would not be done — I can assure the member — it would not be done frivolously. It would only be done under extraordinary circumstances. And one of those being, that I can think of just offhand, would be the inability to elect a council and continue to proceed with the needs of the people, the villagers in that community.

**Mr. Bjornerud:** — I understand what you are saying, Mr. Minister, but does the Bill actually elaborate on that and explain that specific situation? I think it's kind of wide open. It really doesn't have that explanation in there that may reassure them that that's the only case that that may happen.

**Hon. Mr. Osika:** — Mr. Chair, the provisions that are within the Bill outline that the minister may by order dissolve an urban municipality where the council requests by resolution that the urban municipality be dissolved. There is a failure to elect a council.

In the case of a village, the population is less than 100 and that would then apply to some of the reasons above — the fact that they couldn't get a council and no administration of the community was in place. And the final one, in the case of a resort village, that the number of persons within the resort village is less than the minimum required pursuant to another section of the statute.

And I believe 4(1)(a) of the numbers there . . . pardon me . . . and it's not in this one because this is just the outline of the other Bill; but if there are fewer members in that resort village than would serve any purpose to allow business to occur and the needs of that small community to be undertaken.

**Mr. Bjornerud:** — Thank you, Mr. Minister. I think all we wanted there was we needed your comments on the record because as you know this last week ministers' comments have gone back to court cases where it's been dealt with for the

environment. We have you on the record; we're going to hold you to your word on that one.

Mr. Minister, kind of a unique question has been brought to us about — we're going back to the amalgamation issue — but what if two urbans wanted to get together but the municipality in the centre, the rural municipality involved, say two towns for example, any of our constituencies in rural Saskatchewan we could have this happen.

What if they wanted to join — and I don't know how they would do this — or amalgamate or share services in a district agreement that would be set up but the RM municipality wanted no part of it? Has that been hashed out or ran by anybody to see how that might work?

**Hon. Mr. Osika:** — Mr. Chair, those could create some difficult circumstances; however if those two communities were able to work out the logistics, without any interference or interfering with the other local government, it would have to be . . . the logistics would have to be worked out between them and there would be no opposition. That opportunity has always been there and I understand that there have been some hamlets and villages that have talked about that.

It wouldn't be totally unrealistic for that to happen or totally impossible. But logistically there would need to be some real serious considerations and discussions again without encroaching on the party that would separate the two.

So it is possible, I guess is what I'm saying, but it would take some discussion and determination I expect. And they might even be able to convince the body in between them to join the party.

**Mr. Bjornerud:** — Well thank you, Mr. Minister. The member for Cypress Hills brings another example that might come into play then too which would be larger . . . Like say the city of Regina and White City at some point may say, it's to both our advantages to be one entity but there's a part of an RM running in between. And I'm wondering, would they have to annex that RM? Has any thought been given . . . it may happen, we don't know, down the road.

**Hon. Mr. Osika:** — Mr. Chair, the Act has always allowed urban to urban to amalgamate. There's no need for coterminous boundaries for any of these locations. So they could do that without any problem if they could agree to doing that, regardless of the separation in between them. And perhaps under the circumstances the member described, that may very well be feasible without including the third partner.

(20:00)

**Mr. Elhard:** — Thank you, Mr. Deputy Chairman, and through you, to the minister, I have some questions I would like to direct specifically as it concerns clause 17, section 104 amended in this particular Bill.

Mr. Minister, you and I have had some very brief and informal discussions about some of the issues raised in this particular part of the Act and I think that for my own sake I have an understanding of why these particular clauses were included,

but I was wondering if, for the record, you would please describe for me the impetus, the rationale behind, specifically, clause (c) which says:

(c) limit the number of businesses in a particular class of business that may operate in a defined area of the urban municipality;

and secondly, clause (d) which says:

(d) specify a minimum distance that two or more businesses or two or more classes of business must be separated from one another in a defined area of the urban municipality;

Would you give us the rationale for this and the origination?

**Hon. Mr. Osika:** — Mr. Chair, just to read in the explanation, the city of Saskatoon requested clarification with respect to the licensing of businesses within the municipality. Additional authority is sought to limit the number of licenses issued to any particular class of business and to provide that a municipality may regulate spacing requirements between businesses of any particular class.

So the amendment is modelled after other similar legislation in Ontario which provides additional municipal authority with respect to limiting the number of body rub and adult entertainment parlours for specific areas of municipality.

So that was part and parcel. And in the city of Saskatoon, they also wish to control the number of pawnshops and second-hand stores within the Riversdale and Pleasant Hill areas. So that is some of the rationale in those neighbourhoods.

Now, again, with respect to businesses and licensing, the municipalities had requested that they be given authority to further regulate businesses and define classes of businesses for licensing purposes. So there were concerns. The ones that I related in the explanation that may not relate to the small community in rural areas, but all encompassing within the changes to allow again some autonomy to local governments to make the decisions with respect to how many businesses, kind of businesses, the licensing of those businesses for some of the reasons that I'd mentioned which apply to a major urban centre, but for all intents purposes could involve similar situations in smaller cities and maybe even trickle down to the smaller towns around the province.

**Mr. Elhard:** — Thank you, Mr. Minister. To the minister through the Chair. Would it not have been possible to define explicitly and specifically the kinds of businesses that you wanted to regulate with this type of clause or is there some legal ramifications of doing that in this particular Act?

**Hon. Mr. Osika:** — Mr. Chairman, the member raises a very valid question, concern. But one of the thrusts of changes to the legislation as it was in place is to get big government out of the faces of local government and give them the autonomy to make decisions with respect to certain aspects of local needs, requirements, considerations.

So what the legislation allows them is to make their own

conscious decisions in the best interests of the communities that they serve. So it takes away the Big Brother aspect of big government being in their face to tell them what they can license, what they can't, and distances and so on with respect to particular businesses. That's primarily the reason.

So if we sat down and tried to sort out which businesses should be included and which shouldn't and you miss something, well it would be a pretty major task, I would think, to have to sit down and sort out, well what the folks in southwestern Saskatchewan, would they be in agreement with the businesses included the same as in southeastern Saskatchewan. You may get in to all kinds of problems. There may be some implications in trying to extend by specific names.

In this instance now it will allow the local councils to make their decisions, and I would suspect that if there were controversial issues that there would be consultation with their local community that they serve.

At least in my humble opinion, it would be in their best interest, if it might be a controversial situation, to consult and then make a decision with respect to whether they would license, whether they would not, or whether their consideration of applying a distance to businesses, to like businesses, which may enhance the option or the opportunity for access to services by their local communities.

But I guess with all due respect to the member, the bottom line is to allow people the autonomy to make their own decisions in this kind of a broad part of the legislation — virtually, you make those decisions.

**Mr. Elhard:** — Thank you, Mr. Minister. While I understand the intention and the motivation for this particular clause, I think when it's looked at from the perspective of a larger urban area, it makes sense to open up the opportunity for them to make decisions that are in their own best interests, that would apply specifically to their larger urban area.

However, Mr. Minister, there is another side to that coin and that is that there are many, many situations in this province where you have much smaller communities, much smaller urban centres, which when given this kind of leverage frankly would be able to be used by them to prevent competitive businesses of any kind moving into their community. They would have a legal tool to prevent any new, competitive business arriving in their town.

And I think that's maybe a scenario that has not been evaluated carefully in light of this particular clause. It can be used to loosen the rules and regulations and give autonomy to some areas but it can also be used to prevent new development, new, competitive businesses in some other instances as well. And I think that's the element that concerns me the most here, Mr. Minister.

**Hon. Mr. Osika:** — Mr. Chairman, the intent again of that legislation is to allow local communities, local governance, to make the best decisions on behalf of the people that they serve. I have confidence that they would make the appropriate decisions. They would have that autonomy.

And if there were decisions, as the member would know, if those decisions are contrary to the wishes of the people that those elected folks serve, then they will suffer the consequences. But I'm not sure how you build something in to prevent people from making decisions that their . . . Their electorate expects them to make decisions in their best interests, the best interests of the community. And I do believe that people who run for public office, who choose to serve, do so because they feel they can contribute and would serve in the best interests of not me, myself, or I, but the people that have put them in the place of authority to make decisions on their behalf.

And the requests from the municipalities for the autonomy, for the authority to allow them to make some very, very critical and serious decisions, were asked for and responded to by giving those councils, mayors and councils, the right to make those important decisions.

And again, with all due respect, I think people of public office that take advantage of their elected positions in the interest of something other than the people that they serve would jeopardize their credibility and naturally jeopardize their . . . you know, their opportunity for perhaps further confidence by people who expect them to make the proper decisions and not make them for . . . decisions that are not in the best interests of the community at large.

And that's I guess what I'm saying is that I have confidence that those folks out there who have the responsibility to govern their communities will apply the tools, the laws that they have, in a fashion which will reflect the best interests of the local businesses, the residents, and benefit of the community.

**Mr. Elhard:** — Thank you, Mr. Minister. I'm sure that you would admit though that there are circumstances in which people will not make those decisions in the best interests of their community. I mean it's conceivable in some circumstances the decisions will not be made in the best interests of the community as a whole, and in fact the community may not even be aware that the decision was made.

And in that kind of a predicament, in that kind of a situation, the individual who came to a community and wanted to set up a business, and the local authorities deemed it to be competitive with one that's already existing and felt that it wasn't in the best interests of the existing business owner to have competition, could turn that business application down and many people would be none the wiser.

What recourse does the offended or the aggrieved party have in a situation like that? What defence is there for that individual in a community and in a province that wants to encourage businesses of all kinds. We have here basically a clause that gives the right to municipal leaders, whether it be a small community or a large community, the full right to turn down that particular business operation. And I can't see how that will advance the cause of business generally; in small-town Saskatchewan specifically.

**Hon. Mr. Osika:** — Mr. Chair, I believe it would be extremely difficult to craft a law that would prevent people from . . . elected people who would not have the integrity to serve for the



purposes that they were elected.

And sometimes laws are put into place, which on occasion may even give certain people that those laws affect the feeling that that law's in place because they don't trust me. And I guess there's a balance. You put laws in and then people in place to work within the framework of the legislation that may exist. You elect people to ensure that everyone gets fair treatment.

I'm not sure how you could enclose the clause to protect anyone from unscrupulous — I don't know if you like to use that word — or people who would choose to not abide by their conscience in ensuring that any decisions they made were not in a personal interest but were in the interests of the community that they serve, the people that elected them.

So I can appreciate the member's concern but I believe that we would have a difficult time building in this legislation protection against . . . and in effect . . . but there is in a way. Because if it came to pass that down the road it was found out that some decisions . . . and the public has access to meetings, to decisions, and can inquire and ask for reasons why certain decisions were made. And if it was found that decisions are such that it's for personal reasons or there's personal intention, then the next time the election process comes around the results of that action is felt by those people in that position.

But again maybe I have too much confidence in those elected people but I do believe that people in rural areas do have the best interests of the people that put them in place. They do the best they can within the framework within all the help that they can get to make sure that the lives of the folks in their communities are well looked after and any actions that they take are in their best interests and not any personal interests.

(20:15)

**Mr. Elhard:** — Mr. Minister, to you through the Chair. I don't want to ascribe unscrupulous motives to anybody, but it's been my experience that there is a tendency to protect one's own turf.

And in a lot of smaller communities especially you don't have people rushing to fill the vacancies on a town council at election time. Many of the people who serve there serve a considerable length of time, several terms and they begin to feel that that's their own territory, that is their bailiwick and they have rights to make decisions that aren't always in the best interests of their community. And I'm afraid that those decisions are made more frequently than we care to admit.

I was a young news reporter or newsman for a radio station in British Columbia a number of years ago and covered town council meetings in a community that had a population of 4,500 people. And it was a tourist town and there were a number of service stations in that community but the biggest one was owned by one of the gentlemen serving on town council.

And when a company came and applied for a permit to establish another fairly large service station in that community that councillor was able to talk his mayor and fellow councillors out of granting that because they just didn't need more competition in that town.

Fortunately that alderman was defeated some years later and the town has actually blossomed. They've had a wholesale change in their council.

So while I understand you believe in the purest of motives, I think that there is often opportunities for people to use their situations and abuse their situations of trust to protect their own self-interest.

So what I would recommend if the minister is willing to take a recommendation from me, that we try and balance the two sides by accepting a small amendment that we will propose later that will address the issue. And without changing anything that is currently in the Act, we could add one more section toward the end of this particular clause that would read something like this:

Notwithstanding the generality of subsections (1) and (2), a bylaw passed pursuant to this section shall not limit competitive interests.

At least in that instance, Mr. Minister, the aggrieved party in any situation such as I have described would have some recourse.

**Hon. Mr. Osika:** — Mr. Chairman, I am reminded, and I should have known, I guess, when we got into this, that there is a conflict of interest, and if there's evidence of that, then there can be a move in another direction through legislation to prosecute. If there is evidence that there is that kind of a conflict, then it gets serious. So there are already provisions to protect against that.

And with all due respect to the suggestion of the amendment, what that would do then is take away the intent of what the municipalities have been asking us for and it's their autonomy to make their decisions. So by saying, well, no we don't trust you, I do not believe would be again in our best interest with all due respect. And it would be totally in opposition to what municipalities have asked for — some autonomy. Have confidence in them, give them credit that they know what they are doing, and if they overstep their boundaries then it moves to the conflict of interest, and if there's evidence of that then they can be dealt with harshly.

**Mr. Bjornerud:** — Thank you, Mr. Minister. At this time that's all our questions we have on the urban Bill, Mr. Chair.

**The Deputy Chair:** — Due to the length of the Bill, I'm wondering if the Chair could have leave to read the Bill out page by page, except for the pages where we have been served with notice of amendments.

Leave granted.

Clause 1 agreed to.

Clauses 2 to 16 inclusive agreed to.

**Clause 17**

**Mr. Elhard:** — Thank you, Mr. Deputy Chairman. I would like to move clause 17 of the printed Bill:

Amend section 104 of *The Urban Municipality Act, 1984*, as being enacted by clause 17(2) of the printed Bill by adding the following subsection after subsection 104(3):

“(4) Notwithstanding the generality of subsections (1) and (2), a bylaw passed pursuant to this section shall not limit competitive interests.”

I so move.

Amendment negated on division.

Clause 17 agreed to.

Clauses 18 to 59 inclusive agreed to.

### Clause 60

**Hon. Mr. Osika:** — Mr. Chairman, as I had pointed out earlier, the amendment proposed and submitted to subsection 60(2) of the Bill, and we're proposing that this subsection be stricken and substituted with a provision that makes subsections 46(1) and (3), 47(2) and (3), 48(2) and 49(2) effective upon assent of this Bill and deemed to be enforced since January 1, 2001.

It was, Mr. Chairman, our intention to provide cities with the authority to establish subclasses of property for the purposes of applying any of the municipal tax tools available to municipalities retroactively to January 1, 2001 to coincide with the 2001 municipal tax year. The amendment is to, Mr. Chair, correct an oversight in the initial draft of the Bill.

Amendment agreed to.

Clause 60 as amended agreed to.

The committee agreed to report the Bill as amended.

### Bill No. 25 — The Northern Municipalities Amendment Act, 2001

**The Deputy Chair:** — I recognize the minister. Do you have any new officials to introduce?

**Hon. Mr. Osika:** — I have the same officials with me, Mr. Chairman. I'm very pleased to have them with me.

### Clause 1

**Mr. Bjornerud:** — Thank you, Mr. Chair. Mr. Minister, we have very few questions on this. We'll be through this very quickly. I just want to go back to . . . and I share the concern of the member for Cypress Hills on the urban Bill, and, Mr. Minister, I believe it also pertains to the northern Bill and we shall also be putting forward that same amendment at that point.

You'd made the comment, Mr. Minister, that the conflict of interest rules are up to a council, but yet in your explanation you said well the conflict of interest rules — if I heard you right — would deal with the situation that we're concerned about here. I don't understand how that would work if the council themselves actually set up and deal with conflict of interest if conflict of interest was caused by the members on council. And

I think there's a bit of confusion there how there would be anybody to deal with the council themselves.

**Hon. Mr. Osika:** — Those conflict of interest rules have always been in place for councils. If in fact what you're suggesting that the council itself contravened their responsibilities and went ahead and ignored conflicts — which by the way, any member of a council and I'm sure, Mr. Chair, the member knows, that if there's a decision to be made and it involves an individual's interests, then he or she excuses themselves from that decision-making process.

However, to get to the nub of what the concern is, an electorate, an elector, or any one of the electorate, if they seriously believe that the intentions of a council member, someone that's an elected official or a group of elected officials are not acting in their best interests, then a voter can take those concerns to a judge and express that concern which would now create an investigation from another source to look into the conflict of interest situation. That's my understanding of how that process would work.

(20:30)

The elected members, besides having to answer subsequently to the electorate, in the meantime could be subject to an inquiry initiated through another source. Those protections are built in and I'm not sure that they're used that often, but they are there, for a voter, for someone — a voter in a municipality or in a district or in a city or wherever — to take their concerns.

And I expect you'd probably have to get a lawyer and say, hey look, we don't like what's going on because we think it's not in the best interests of the community or myself as an individual, who operates, wants to carry on with this, that, or whatever. There is a process that can be followed to bring to the attention of a higher authority that we have a problem with elected people who are making decisions for self-serving purposes and not in the best interests of the electorate.

**Mr. Bjornerud:** — I guess what we're saying, Mr. Minister, is actually that it's a conflict of interest for the people that have caused the conflict to be on the other side to deal with the conflict. So it's a real conflict of interest is what we're talking about here, because you have the same people judging themselves to see whether they created the problem. And I guess we know what's going to happen there; they're naturally going to say no, there's no problem here, but it's the same people dealing with this problem.

Mr. Minister, we will have the same — and I think I'd mentioned this before — the same amendment to this Bill because it deals with the same thing. I share the concern of the member for Cypress Hills because many of us on this side, and I think on that side, have sat on councils of all sizes out there.

And I think we can see, and it may seldom happen, but should you have two hardware stores in a town and a third hardware wants to move into that town say of 5,000 people, it would be to the best interest of the two hardware store owners, possibly even aldermen sitting on council, to not want the competition and to not want that business to enter that community. And I think it would be very self-serving on their part — may never

happen but the chance is there — to not grant the permit for that business to come in.

And I guess our concern, as the member quite aptly put it, is that competition is good for the public. And when we get to a point where we may have interference from a locally elected board that can prevent that from happening, I think that's a concern for all of us.

And I think our amendment was not passed tonight, but I certainly hope that you will take into consideration what we have both said here tonight and the concerns that we have brought forward, that we feel there is an empty spot in the legislation here and maybe it could be looked at and addressed at a later date.

Mr. Minister, we're dealing with the northern municipal Bill now, and I guess there's very little that we haven't asked on the other two Bills. I would just . . . would ask you what have you done in the northern Bill that maybe was different from the urban and the rural Bill?

**Hon. Mr. Osika:** — Mr. Chairman, there are no differences in the northern Act and the urban Act. They're both the same. Primarily they remove the government, big government out of the decision-making process in those communities.

Clause 1 agreed to.

Clauses 2 to 11 inclusive agreed to.

#### Clause 12

**Mr. Bjornerud:** — Thank you, Mr. Chair. I'd like to move an amendment to The Northern Municipal Act being enacted by clause 12(2) of the printed Bill by adding the following subsection after subsection 90.2(3):

“(4) Notwithstanding the generality of subsections (1) and (2), a bylaw passed pursuant to this section shall not limit the competitive interests.”

Amendment negated on division.

Clause 12 agreed to.

Clauses 13 to 24 inclusive agreed to.

The committee agreed to report the Bill.

#### **Bill No. 6 — The Planning and Development Amendment Act, 2001**

**Hon. Mr. Osika:** — Mr. Chair, to you and the members, I would like to introduce Mr. Ralph Liebel.

#### Clause 1

**Mr. Bjornerud:** — Thank you, Mr. Chair. Mr. Minister, and welcome to your official. We have very few questions on this Bill, but I guess the main question is, is what was the intent of the changes that you are proposing in this Bill?

**Hon. Mr. Osika:** — Mr. Chair, this Bill, the changes make it easier for the planning committee to deal with subdivisions. The subdivision process in Saskatchewan is effective and responsive to development opportunities by providing the local authority to manage community interests, and it'll make it that much easier for them.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

#### **Bill No. 31 — The Saskatchewan Heritage Foundation Amendment Act, 2001**

**Hon. Mr. Osika:** — Mr. Chairman, I'd like to introduce — to you and to the members — Mr. Garth Pugh who will assist us.

#### Clause 1

**Mr. Bjornerud:** — Thank you, Mr. Chair. Mr. Minister, if I could ask you at this time, the same as the previous Bill, could you explain to us the intent of changes you're making here?

**Hon. Mr. Osika:** — Mr. Chairman, the essence of the Bill we're dealing with is the legislative and regulatory changes which are necessary to establish a long-term strategy for the administration of The Saskatchewan Heritage Foundation Act of 1990, and that's basically what it does is change some of the regulations to allow the Heritage Foundation to continue.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

The committee agreed to report the Bill.

#### **Bill No. 22 — The Assessment Management Agency Amendment Act, 2001**

**The Chair:** — I recognize the minister to introduce his officials.

**Hon. Mr. Osika:** — Thank you, Mr. Chairman. I'm pleased to report that the officials saw fit to stay with me that were here earlier. And I'm very pleased that they have.

#### Clause 1

**Mr. Bjornerud:** — Thank you, Mr. Chair. Mr. Minister, before we start on this Bill I just want to take the opportunity to thank your officials that we held onto tonight here for a very short time when they entered the floor of the legislature. I want to thank them for waiting and having the patience to wait for the questions that we had.

Mr. Minister, SAMA (Saskatchewan Assessment Management Agency) . . . we have a few more questions on this Bill. What changes I guess are you making or do you feel you're making in this Bill to address some of the concerns that we're having from municipalities, and for that matter from taxpayers, across the province? What are you doing in this Bill to address some of

those concerns?

(20:45)

**Hon. Mr. Osika:** — Mr. Chairman, the proposed amendments address these following issues.

First of all the introduction of statutory requirements for the physical re-inspection of property; the enhancing . . . enhancing the disclosure and accountability requirements of the Assessment Management Agency of Saskatchewan, SAMA; changes to the composition of the SAMA board to include other members.

And I'm just going to clarify. The amendments will also address issues regarding meeting requirements of the technical advisory committee; advancing the date by which the Saskatchewan Assessment Management Agency must provide its budget submissions to Municipal Affairs and Housing; and creating additional accountability and transparency of SAMA's financial accounts. That's basically . . . And there's some pretty significant amendments that will impose some requirements on SAMA with respect to the reporting procedures.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Mr. Minister, I'm sure you're well aware of it and I think you get probably the same concerns we do, at least I hope you would. But there's a lot of concerns out there with municipalities, with their dissatisfaction the way our assessment system seems to be working, and the satisfaction that municipalities have out there with the way the assessments have turned out in the last two reassessments.

The one before I think we knew we could have problems there because it hadn't been done for so long. I had hoped that a number of these issues had been cleared up. And I think we're seeing a number of problems out there again, at least from the concerns that are being brought to us.

Mr. Minister, how many municipalities have opted out of SAMA's services since the last reassessment?

**Hon. Mr. Osika:** — Mr. Chair, I believe that the most recent ones, Swift Current and Ponteix, have given notice; Wilkie has opted out. The cities of course are on their own. But those are the only ones that come to mind at this point since the last assessment.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Mr. Minister, yourself as minister, are you satisfied with the way the assessments have been done? And I know . . . the minister cringes; so do I when I get the calls. But are you satisfied with the way we are doing them? We can hold the status quo; we don't have to make changes with the way our assessment works in this province?

**Hon. Mr. Osika:** — Mr. Chairman, as in all respects, and human nature being what it is, and I guess we live in the real world, that we continue to try and improve on whatever situations. And given the member's comments and expressions of concern, those concerns as they are communicated are dealt with.

And there will be a need, and I accept that there may be a need to review. And the member will appreciate that as with any other programs that appear to be giving some problems in some areas and the need to reassess and re-evaluate and do it in consultation with those that are carrying out the responsibilities and people that are affected by those responsibilities.

So I will concur that there will be a need to review what's happened, and where there are shortcomings to try and improve.

**Mr. Bjornerud:** — Thank you, Mr. Minister. And I realize, Mr. Minister, some of these questions probably do not pertain directly to the Bill. But I think this is a very important issue because the number of dissatisfied municipalities out in the province right now, I think this issue has to be addressed sooner than later.

Is your department, Mr. Minister, looking at — and then again this is not really part of the Bill, although I think it pertains to some of the changes you're doing here — looking at other jurisdictions, whether it be in Canada, North America, wherever, to see if there's any way that we can improve the way that we do assessments, and when we have our reassessments out there, that bring in a more accurate value? Because I think this is where we seem to be getting the problem right now, the variance in values out there, and that's where the problems seem to be popping up all over — whether it's hotels, motels, residential areas, where you know one house seems to be out of whack with what the others in the area are.

Are we looking at other jurisdictions to see if we can improve this process once and for all?

**Hon. Mr. Osika:** — Mr. Chairman, just a reminder that it's SAMA that sets the policy. But no question, we'll be looking at other options.

And again, just to reinforce our serious attempts to assist people that are involved in this assessment process, one of the previous Bills where we submitted the amendment as the result of an oversight to ensure that municipalities had access to tax tools available to them, retroactive to January 1, 2001, so that they would at least be allowed to implement some of those tax tools in the course of the assessments that are going on.

But I guess in answer to the member's question, no doubt, I can assure the member that we are actively looking at and will be working with SAMA. And again to remind the public here that SAMA is an independent agency who set their own policies, but we will be working with all participants, stakeholders, in reviewing whatever areas need to perhaps be looked at and accept whatever suggestions that may be appropriate for positive changes — not just change for the sake of changing.

**Mr. Bjornerud:** — Well thank you, Mr. Minister. And I realize that SAMA is a separate entity unto themselves, but when there's problems to the magnitude that we have in this province to do with reassessment and assessment, I think someone has to take a leadership role and the government is that leadership role. You're the people in charge; the buck stops here.

Mr. Minister, the Bill changes the meeting requirements of SAMA's technical advisory committee. Can you tell us the role

of this committee and who sits on that committee?

**Hon. Mr. Osika:** — Mr. Chairman, I must apologize to the member that I do not have the names of the members of that technical committee. However, that committee is struck to assist SAMA in providing, developing, and improving on policies and processes. That's their primary purpose. And if the member wishes to have the names, I certainly can arrange to get those names to him.

**Mr. Bjornerud:** — Thank you, Mr. Minister. If you could at some point later in time get us those names, that would be fine. Mr. Minister, how often is this committee supposed to meet?

**Hon. Mr. Osika:** — They are required to meet four times per year.

**Mr. Bjornerud:** — Mr. Minister, thank you. How many times did they meet last year?

**Hon. Mr. Osika:** — Mr. Chair, they've not met.

**Mr. Bjornerud:** — Did I miss something, Mr. Minister? In your previous answer you said they're supposed to meet four times a year. In your last answer you said they didn't meet.

It's getting late at night but I don't think I completely missed that one. Could you, would you kind of elaborate on that a little bit?

**Hon. Mr. Osika:** — The technical committee was not called to sit, to meet because the other, the commercial committees and the city committees and other committees supplied the information for SAMA that they required so there was no need for the technical committee to meet.

And some of those people on the technical committee were on some of these other committees. So that was the reason the technical committee as such did not meet.

**Some Hon. Members:** Hear, hear!

**Mr. Bjornerud:** — Thank you, Mr. Minister. I appreciate that round of applause, Mr. Minister. What that tells me is I'm not the only one confused in here after that answer.

**Some Hon. Members:** Hear, hear!

**Mr. Bjornerud:** — At this time, Mr. Chair, I'd like to pass off to the member for Cypress Hills.

**Mr. Elhard:** — Thank you, Mr. Chairman. It's going to be hard to be serious after that outburst.

Mr. Minister, I believe that the member from Saltcoats went in this direction already and touched on the issue of the formula that SAMA uses to assess property in this province. And comparing it to other jurisdictions I've been told that Saskatchewan is the only jurisdiction especially — or certainly in the country, but maybe even in North America — that uses the particular formula that is employed here. That other jurisdictions have unified and codified their assessment in a very specific and unified way.

What I guess I need to know is why would Saskatchewan stay out of step with other jurisdictions in the assessment process and the kinds of formula used to provide assessment in this jurisdiction?

**Hon. Mr. Osika:** — Mr. Chairman, the provinces vary from jurisdiction to jurisdiction. And I'm not sure which specific formula the member is referring to but there are different applications of levies from province to province for property assessment.

There are various roles that the assessment agencies play in the different provinces and their participation on boards and their direction. There are provinces that have private assessment agencies completely. So it varies.

And I'm not sure exactly which particular formula because there are different applications of market adjustment factors that may vary from one part of the province to the other. And some other tools that they use for their assessment process in the manuals that they put together for applying uniformity within the guidelines of what's contained in that manual and has been put together by the assessors which are advisers and form part of the SAMA process.

**Mr. Elhard:** — Well, Mr. Minister, if you don't understand my question and I don't fully understand your answer, that would indicate pretty clearly why nobody understands the assessment procedures in this province.

(21:00)

And I guess what I'm . . . what brings me to this particular question is an interview I heard with Mr. Thompson on CBC (Canadian Broadcasting Corporation) some weeks ago concerning all of the different issues that have been raised with this latest reassessment. And he was on the radio talking about the procedures they use, and part of his response was that SAMA is unique in the way they approach assessment in Canada for sure, and as far as he knew, maybe in all of North America.

And he alluded to the fact directly, in that particular interview, to the need for Saskatchewan to come on-line and kind of come up with a system frankly that is very similar or identical to assessment procedures used in other provinces.

The thing, I guess, that caught my attention, Mr. Minister, was that in Mr. Thompson's comment . . . was that there didn't seem to be the political will or the political direction to achieve that type of uniform assessment approach. And you know we have a situation here where we as a province, whether we like it or not, are competing with every jurisdiction around us in North America — south of us in North Dakota and Montana, to the east and to the west — and if our property tax assessment procedures are not competitive with other areas, are not similar, there needs to be an explanation for that. What is the explanation that would make us unique or different, or the need to have us unique and/or different?

**Hon. Mr. Osika:** — Mr. Chairman, I hear what the member's saying. I'm not sure exactly what Mr. Thompson's interview entailed, but I can tell the member that there are differences

from province to province to province in many respects with regards to their approach to assessment processes and procedures and directions.

Having said that, maybe Mr. Thompson in his remarks had also indicated, or if he did not, I'm disappointed to hear that he indicated that the government wasn't onside to move in the direction of improving the process. Because I can say unequivocally that's not true because there is a desire.

But to pick the right system . . . and I'm not sure which one is going to be the best for our circumstances, and if our circumstances are similar to another jurisdiction, perhaps we can look at that. But as the member is well aware, our situation is different to that of British Columbia, and it's different to that of Ontario in many respects.

I agree very much that if there is, if there is a need to review the entire process, it'll have to be done in consultation with people that are in the business, that have been there. And I appreciate and I would respect Mr. Thompson's suggestions and ideas and anybody else's that feels we can move in a direction that would ease some of the difficulties that have been brought to our attention or that people may feel they are experiencing.

If the system is not perfect, we'll work towards making it perfect. But I'm not aware of any systems that are absolutely perfect and I'm not sure whatever system they're using in Alberta or Manitoba or British Columbia has everybody 100 per cent satisfied. It is a technical, a difficult process.

But again, I want to assure the member that every effort will be made to look at what's happening in other places, and apply, make changes, and suggest, recommend, do whatever is necessary to ensure fairness and make sure there's equitable treatment, and that the application of whatever factors, adjustment factors, markets, or whatever it entails by the assessment people who are in the business and know far better what it entails than I, that we will improve the process to the best of our ability.

**Mr. Elhard:** — Mr. Minister, I appreciate your answer but, you know, in view of the fact that there is so much consternation in this province as a result of reassessment, there must be some reason for that. Now we've had huge anomalies — we've had large increases in some areas, we've had minor decreases in other areas — and nobody seems to understand what the rationale for that is. That suggests to me that if nobody can put their finger on the reasoning specifically, that the system is simply too complicated.

Now, as an example, I mean I have several examples, and they have been brought to my attention repeatedly lately, especially by hotel owners in the constituency of Cypress Hills and just outside. You know the market factor adjustment for facilities like that in the Swift Current area is a certain rate. But you get to a community like Leader, 100 miles away or less — maybe less, quite a bit but nevertheless out of the city — and the market adjustment factor is such that the taxes there are at least 50 per cent higher. And yet you have a situation where a community the size of Leader is significantly smaller than a community like Swift Current. You don't have anywhere near the traffic or the volume of visitors there. What accounts for

such drastic differences in assessment in two communities like that?

And as you can appreciate, Mr. Minister, when you have those kinds of differences you really end up putting those particular businesses in serious financial jeopardy to the point where many of them are laying off staff, and some of them are threatening to close their doors.

When you close the doors of a hotel in a small town they don't come back. And it's a . . . there's an act of finality there that simply cannot be tolerated in small communities. And I think with those kinds of inequities and those kinds of situations developing we haven't got time to look at possibly considering changes in the future. We need some action on those inequities today.

**Hon. Mr. Osika:** — Mr. Chairman, the member will well know that some of the concerns were addressed. I had attended meetings in southwestern Saskatchewan and I know that SAMA did respond to some of those concerns.

So yes wherever there were problems identified there was some attention paid to those, and yes we need to determine the answers to all the questions that the member has raised and there is a review. I mean it's not something that can just suddenly be changed overnight. But there is . . . those concerns will be addressed and those areas where there is serious concerns, there has been a response to by a reassessment, re-evaluation and I'm sure the member will know that there have been people sent back to areas to re-evaluate, reassess, to ensure that proper processes, procedures and the proper formulas whatever they might be were applied when the individual assessors were carrying out their assessments in those areas, and I share the concern.

**Mr. Elhard:** — Well, Mr. Minister, I would agree that there were, you know, attempts to look at those situations and that proper procedures were followed and, you know, the consideration of the Act was met to the letter. But that still doesn't ameliorate the impact.

The assessment resulted in significantly higher . . . or the reassessment process resulted in significantly higher assessment for many of those facilities that we're talking about. And their tax notices are going to be based on that new assessment. And those taxes are going to be due and payable soon.

Now when the appeals procedure is launched, when individuals that are uncomfortable or unhappy with their assessment go to appeal, they can't appeal just because they don't like the cost they're going to incur, they have to have some substantive reason on which to base their appeal. And so far almost all the appeals have been denied out of hand.

So while the process has been followed the results have not been satisfactory and the impact remains. And I think that in terms of what's happening in rural Saskatchewan . . . Well the Minister of Rural Revitalization is here; it should be of real concern to her as well. I mean these are not situations that we can just allow to go on and look at because the impact is now — it's today. And we're really concerned about the commercial operations in a lot of these small communities in rural

Saskatchewan.

I'd like to bring one other issue, sort of a parallel to this, that I believe has occurred as a result of reassessment. And that is land, farm land, agricultural land on the east side of the province, from what I understand, has not seen a significant increase in the assessment; in fact there may have been decreases in the assessment. But on the west side of the province, the assessments are substantially higher.

Would somebody be able to explain for me why that is? What's the difference between the two farming regions?

**Hon. Mr. Osika:** — Basically, Mr. Chair, it reflects the local market values, and by that market index and factor that's applied. So land in one part of the country is worth more than in another, and those factors that are applied.

**Mr. Elhard:** — Well, Mr. Minister, I appreciate that but you see local market values today are impacted by immediate conditions. Conditions next year could change; I mean if you don't have flooding on the east side and you don't have drought on the west side. I mean market conditions change rather rapidly depending on circumstances at any given time, and yet your assessment or reassessment only happens periodically. I'm not sure if it's a consistent four-year period or not.

But nevertheless we've got a situation now based on current market conditions and market conditions that have existed over the last couple of years that are going to impact taxes for at least the next four or five years. I don't know that . . . You know I don't know that that's a proper way to evaluate properties. And unless there are factors like that worked into the formula to compensate for those kind of short-term influences on the market.

**Hon. Mr. Osika:** — Mr. Chair, I guess that's difficult to determine in the long term. You base your assessments on certain time, and in this case, I believe it was 1998 and you go with that until the next assessment. I'm not sure if there's a real perfect way to do assessments and then apply market factors that will satisfy everybody. There has to be a process where by you carry out . . . some people will have their assessments or values or taxes go down. Others, because of circumstances in a particular area will cause them to go up. And there has to be a baseline and that's what the assessment agency uses. That's your jump-off point and that's what they apply their assessments based on certain values at a certain time in the various areas.

**Mr. Bjornerud:** — Thank you, Mr. Chair. Mr. Minister, the amendment, I believe, requires SAMA to appoint an auditor to ensure it's funding is being spent on what it was designed and intended to be spent on. Who is overseeing the books to this point if an auditor is just now being appointed?

**Hon. Mr. Osika:** — SAMA has always had to have an auditor and they have had to hire a private auditor to do that. So their books have been audited.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Why wouldn't this fall under the Provincial Auditor then? Why wouldn't this be one of his responsibilities to oversee this as he does all other

departments?

**Hon. Mr. Osika:** — It doesn't fall within the scope of The Provincial Auditor Act.

**Mr. Bjornerud:** — Well thank you, Mr. Minister. Mr. Minister, then what is the reason for the change here? Is there an indication that there's been problems with the way money has been spent by SAMA?

**Hon. Mr. Osika:** — No, it's not an indication of any problems, not at all. It's to improve the transparency of the entire operation. It's merely to make it more transparent.

(21:15)

**Mr. Bjornerud:** — Well thank you, Mr. Minister, but I don't seem to be . . . I might be a little slow tonight but I don't seem to be able to understand what's going on here. You said that they had to have an auditor before in place, and now you say you're making changes in this Bill where they have to have an auditor in place now after the Bill passes. What change are we actually seeing here then? According to what you're saying is nothing's changing, everything's staying the same. And yet you've got this included as an amendment in this Bill.

**Hon. Mr. Osika:** — Mr. Chairman, the amendment will require SAMA to appoint an auditor to audit its records and to prepare a financial statement in accordance with generally accepted accounting principles.

Now the expenditures that are mentioned as well will require that auditor to be familiar with The Management Accountants Act, certified general accountants and The Chartered Accountants Act.

This amendment will allow government and stakeholders to more effectively analyze the financial accounts and expenditures of SAMA in the interests of openness, accountability and determining appropriate revenue resources.

And in addition to require SAMA to appoint an auditor, the amendment . . . which they've already done. There's nothing untoward about what's been going on. This is just to strengthen the accountability. So SAMA will be required to appoint an auditor.

And the amendment also provides the minister with the authority . . . This amendment will provide the minister with the authority to direct the Provincial Auditor to conduct an examination or review or audit of that particular agency. Up until now that hasn't been there, but this amendment will now give the minister the authority to do that.

And it will require a greater degree of accountability. Its just reinforces what's already in place and maybe makes it a little more stringent, basically.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Mr. Minister, one last question. The manual that SAMA goes by — the rules, the regulations, the procedures. Who sets up that manual? Who initiated what that manual actually contains?

**Hon. Mr. Osika:** — It is prepared by the SAMA staff in consultation with the cities and then taken to the SAMA board for approval. And the SAMA board is made up of representatives from the different governance bodies.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Now you talked about . . . I believe North Battleford has its own assessment procedures and people. You said Swift Current. I think I missed the second one. Wilkie's thinking about going out. Do they have to abide by the same manual then that SAMA works with now?

**Hon. Mr. Osika:** — Yes, they do.

**Mr. Bjornerud:** — Thank you, Mr. Minister. Well I'm not sure that we're going to gain anything then in these communities. I know there's a lot of dissatisfaction out there. But if they have to abide by exactly the same rules that SAMA's using now and they get independent assessors to come in and use the same manual, I'm not sure they're going to gain a whole lot. But they must . . . those communities, Mr. Minister, must think and have a deep dissatisfaction with SAMA to be opting out.

In your estimation how do you think these communities are actually going to be able to gain anything when they have to go by the same manual?

**Hon. Mr. Osika:** — The importance of consistency has got to be a consideration. Primarily if there are different rules, then there would be, it would create greater chaos and inconsistencies in the application of the assessment process. So there needs to be that assurance that, regardless of whether a community's in or out, there is that manual that they have to follow.

**Mr. Bjornerud:** — Well thank you, Mr. Minister. That's the end of my questions on here. But I would like to once again say — and I think the member for Cypress said the same thing as I'm saying — is that there's a tremendous amount of dissatisfaction with the way we're reassessing in this province and the number of problems it seems to be creating.

And I would suggest and I would hope that your department would maybe look at some way of studying every other municipal entity and body in this country. And for that matter, let's take a look in the US (United States). Maybe they've got some ways down there of improving our system up here because with the amount of dissatisfaction we have here, there's got to be a better way of doing things.

When people, municipalities, pay their requisition and the dollars they're spending . . . and it's not cheap. I'm sure you know what I'm saying. There's got to be a better way to do this.

Let's take the initiative and get out there and have a look, Mr. Minister. And even if it costs, I believe some money, I think it would be well worth it to look at all the other in jurisdictions in North America for that matter to see if we can improve our system.

So I want to thank you for your answers, Mr. Minister.

**Hon. Mr. Osika:** — Mr. Chairman, I would like to thank

members of the opposition for well thought out questions and the suggestions and the concerns, the expressions of concerns. I hope they will accept my assurance that they will be addressed, and I want to thank the opposition for being diligent and expedient in addressing these matters. Thank you.

**Mr. Bjornerud:** — I want to apologize to Mr. Chair; I thought I was finished. I forgot. I would be remiss if I didn't thank your officials, Mr. Minister, for bearing with us tonight and the quality of the information you gave, although at times we were wondering. Thank you, Mr. Minister, and thanks to your staff.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

The committee agreed to report the Bill.

### THIRD READINGS

#### Bill No. 23 — The Rural Municipality Amendment Act, 2001

**Hon. Mr. Osika:** — Mr. Deputy Chair, I move that this Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

#### Bill No. 24 — The Urban Municipality Amendment Act, 2001

**Hon. Mr. Osika:** — Mr. Deputy Chair, I move that the amendments be now read the first and second time.

Motion agreed to.

**The Deputy Speaker:** — When shall the Bill be read a third time?

**Hon. Mr. Osika:** — By leave, now, Mr. Deputy Chair.

Motion agreed to and, by leave of the Assembly, the Bill read a third time and passed under its title.

#### Bill No. 25 — The Northern Municipalities Amendment Act, 2001

**Hon. Mr. Osika:** — Mr. Deputy Speaker, I move that this Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

#### Bill No. 6 — The Planning and Development Amendment Act, 2001

**Hon. Mr. Osika:** — Mr. Deputy Speaker, I move that this Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.



**Bill 31 — The Saskatchewan Heritage Foundation  
Amendment Act, 2001**

**Hon. Mr. Osika:** — Mr. Deputy Speaker, I move this Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

**Bill No. 22 — The Assessment Management Agency  
Amendment Act, 2001**

**Hon. Mr. Osika:** — Mr. Deputy Speaker, I move that this Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

**COMMITTEE OF FINANCE**

**General Revenue Fund  
Municipal Affairs and Housing  
Vote 24**

**Subvote (MG01)**

**The Chair:** — I'll ask the minister to introduce his officials.

(21:30)

**Hon. Mr. Osika:** — Thank you, Mr. Chairman. I'm pleased to introduce to you and to the members, Brij Mathur, who is acting deputy minister; Peter Hoffmann, who is the assistance deputy minister of housing; John Edwards, who is the acting assistant deputy minister of municipal and community support services. I also have here Lana Grosse, who is the executive director of protection emergency services, Larry Chaykowski, immediately behind me, is the executive director of finance, administration, and facilities. Mr. Doug Morcom, to my right, who is director of grants administration. And also this evening Ms. Benita Richardson who is the chief financial officer Saskatchewan Housing Corporation, and Mr. Nick Surtees who is the executive director of licensing and inspections and chief inspector. Thank you.

**Ms. Julé:** — Thank you, Mr. Chair, and good evening to the minister and his officials. Mr. Minister, I have a concern brought forward to me from the municipality of Wolverine and it entails some concern that might have, I guess, be brought forward to the minister of CIC (Crown Investment Corporation) particularly SGI (Saskatchewan Government Insurance) as well as to yourself as the minister responsible for municipalities.

Recently, in fact it was around February, the municipality was advised by the Saskatchewan Association of Rural Municipalities that the personal injury protection plan review had recommended changes to the plan in regards to allowing a tort action for all losses be available against institutional third parties whose negligence was approximately related to the accident.

Now what this means and it is the understanding of the municipality of Wolverine that if this recommendation is

adopted it would mean that anyone that sustains bodily injury in a motor vehicle accident on a rural municipal road could sue the rural municipality which was the case prior to the implementation of that personal injury protection plan.

The municipality makes it quite clear that they would like to voice their objection to this recommendation. Because if the recommendation is approved it could prove to be very costly for rural municipalities throughout the province and it's a cost that would inevitably have to be passed onto the taxpayers of the municipality.

The municipality of Wolverine goes on to point out that at a time when the agriculture sector in this province is in a crisis situation and tax revolts were taking place in many rural municipalities, a deteriorating provincial highway system that they're dealing with, and reduced funding for municipal road construction, that they say it is difficult to understand why this type of recommendation would even be considered.

So, Mr. Minister, I ask you if you could respond today to this concern put forward by the municipality of Wolverine. And is their take on this recommendation, the change to the personal injury protection plan by the review board, is that being considered? And what in fact do you think of it?

**Hon. Mr. Osika:** — Mr. Chairman, I thank the member for that serious question. And with all due respect, that is the jurisdiction of my colleague, the Attorney General, the Justice minister, and I would have to direct that question to him before a response. That is within the jurisdiction of Justice.

**Ms. Julé:** — Okay, well I am really quite surprised with that response, Mr. Minister, because the Minister of Justice really hasn't got any obligation or supervisory role as far as I know over a change to the personal injury protection plan. That would be, I believe, the minister responsible for SGI or Crown Investments Corporation.

It seems to me that it would be under your purview or the minister responsible for SGI.

**Hon. Mr. Osika:** — It is my understanding that expanding the rights to launch a legal action would come under the purview of Justice as opposed to Municipal Affairs.

**Ms. Julé:** — Well thank you, Mr. Minister. You know it's really very difficult sometimes to know which department that one would address these questions to because it is simply my feeling that this is an issue brought forward by municipalities and that certainly your department and your cabinet should be conversing with one another so you're all informed on what's happening when in fact there's overlap in some of these concerns.

So I'm just going to ask you, do you have any knowledge of whether or not this change is going to take place?

**Hon. Mr. Osika:** — Mr. Chairman, I don't, and I would respectfully, again to the member, suggest . . . which might be more expedient if there could be correspondence directed to myself, and I will ensure that the department responsible responds accordingly to the concerns.

**Ms. Julé:** — Thank you, Mr. Minister, I certainly will then I guess take it to the Minister of Justice the next time we have Justice estimates. And I do thank you and will turn the questioning over to my colleague.

**Mr. Hart:** — Thank you, Mr. Chair. Mr. Minister, the last time we discussed Municipal Affairs estimates, I raised some very serious concerns with you that dealt with the protection and emergency services branch. We discussed a letter that was signed by six inspectors of the boiler and pressure vessel inspection unit. We got through most of the concerns raised in that letter and you had indicated during the course of our discussions that you would provide me with some written answers to some of my inquiries, and I thank you for them.

I received them earlier this evening and I didn't take time to count them, but I estimate there's about 50, 60 pages and I did look through them briefly. And again I would like to thank you for the information.

Now as you will recall, there were some very serious concerns expressed by these inspectors about the quality of inspections being done and the lack of experience by the remaining inspectors. This had to do with . . . The concerns centred around the resignation of an inspector with 21 years of service, who appears to have been a person that acted as a resource person for many of the inexperienced inspectors.

And I think what I'd like to do just for the record is read the last paragraph of that letter dated December 16, 1999 and was addressed to the executive director of protection and emergency services within your department. And it deals with the resignation of a Mr. Henry Bergey. And I'm quoting now from the letter:

We recognize that no one person is ever indispensable. However, due to the high turnover of staff in the branch, only Henry has been here long enough to ensure the smooth operations of the branch. Without him things will get missed and at times there is absolutely no one for the inexperienced inspectors to turn to for assistance. The consistency of the branch is already in jeopardy because of the lack of experience in its workforce. However, with more training and a few more years of experience we will eventually be able to absorb the loss of someone with Henry's 21 years of service a little more gracefully, provided the majority of the current staff remains. We are not in that position to do that now.

So that pretty well summarizes those concerns, Mr. Minister. And I had asked in the previous discussion of estimates and you had indicated that there were people within the department, within that unit to provide guidance to the inexperienced inspectors and you said you would provide me with a list of those people. And I'd looked . . . As I indicated there is a lot of information here and I looked through it. I may have missed the list of names of those people who have experience, but I didn't see it. Is it in fact in here, Mr. Minister, and could you provide us with those names?

**Hon. Mr. Osika:** — Mr. Chair, to the member, in the document there are titles only; there's not a list of names. But I want to give the member some assurances this evening on the concerns

that he raised. The chief inspector who takes care of and oversees the operations has something like . . .

**The Chair:** — Order. Your mic is not picking up.

**Hon. Mr. Osika:** — My light wasn't on, Mr. Chairman. Well thank you very much. Do I have to go back to the beginning again? I guess so.

I just want to respond to the member opposite saying that, no, the names are not in that document but the titles are. And I wanted to give the member the assurances that the chief inspector for the operation has up to 27 years of service — that's the chief inspector who oversees the operations within the department.

And all the inspectors within the department have the qualifications that have been established through the Public Service Commission classification process. They have, to meet those qualifications, they have an engineering degree and one year of related experience; first class power engineer certificate and a one year of related experience; second class power engineer's certificate and three years of related experience, or a mix of the above, or a diploma in mechanical engineering technology and three years of related experience. And the chief engineer is a professional engineer.

**Mr. Hart:** — Thank you, Mr. Minister, for that answer. So then you feel confident that the inspectors are properly trained and have adequate resources to draw on if they run into a problem, and that we can assure the public that we don't have a problem in boiler and pressure vessel inspection in this province. Is that what you're saying, Mr. Minister?

**Hon. Mr. Osika:** — Yes, Mr. Chair, to the member, yes that's exactly what I'm saying. And just to add to that, and again to give the assurance and the comfort that five of the six inspectors who signed the December 16, 1999 memo continue to be employed as boiler and pressure vessel inspectors I'm told.

So these inspectors have been working with the branch for several years now, have considerable practical experience in inspections, and in addition many of these employees had considerable experience in industry prior to coming to Department of Municipal Affairs.

So I trust that we'll give the member the confidence that I have in the qualifications and expertise and dedication of these employees to their responsibilities.

**Mr. Hart:** — Mr. Minister, it was those inspectors who you say have considerable experience were indicating that there is a problem there. And I wonder if you could precisely tell us what has been done within the unit to address their very specific concern, particularly as I outlined in the last paragraph of their letter.

**Hon. Mr. Osika:** — Mr. Chairman, to the member, the inspectors — just to go over again — expressed concern that there appeared to be no one available who was fully trained. I believe that was the concern, to deliver the well testing process, the boiler and pressure vessel safety units.

Now we have 13 that have their National Board commissions. Only the two most recently hired employees that did not already have their commissions have yet to obtain it and these are the two recent additions to try and maintain the demands. Ten of those people have their National Board A endorsement and five have their National B endorsement. So I guess over that period of time additional training is provided on an ongoing and continuous basis. And at least two of those additional inspectors that we have now are expected to challenge the A commission endorsements for this year.

So it's an ongoing . . . while you work you learn, you gain experience. It's not unlike through other occupations where as you progress in your experience in any particular service, you're recognized for your competence and then promoted.

With the technical expertise that's required to meet the challenges of those particular responsibilities, that has to be met as well to the satisfaction of the commissions, the endorsements that they strive for to achieve recognition and gain those certificates.

(21:45)

**Mr. Hart:** — Mr. Minister, then were those inspectors who felt they didn't have the proper training and experience, since the time of that letter, since December 16, 1999, did those inspectors, did they receive additional training? Were they sent on some additional courses? How exactly did this wealth of experience and training arrive in that unit? Did you hire some new people that had greater qualifications? Can you explain exactly how this expertise is now made available in the unit?

**Hon. Mr. Osika:** — Two years ago, there was an organized welder testing program so that a full-fledged boiler and pressure vessel inspector would deliver the program. Three inspectors were trained, developed a welder-testing manual, and provided the testing.

More recently the responsibility for welder testing program was assigned to the design officer to allow other inspectors to spend more time on the road performing boiler and pressure vessel inspections. And this program continues to operate effectively and with those that are trained, they are now in a position to train others and ensure that specifications are met and qualifications are maintained.

It is taken seriously. And a serious responsibility such as insuring quality and safety under those circumstances are not taken lightly and it's not considered to be a trivial matter. And it would not be delegated to someone who . . . people in authority that would be responsible ultimately for any problems, they would have confidence in those people having the ability and the knowledge to go out and carry out their duties.

**Mr. Hart:** — Mr. Minister, these six inspectors were not the only ones who expressed concerns about the operation of that unit, the boiler and pressure vessel inspection unit. There was another inspector, Ron Russell, who . . . I have a copy of his letter of resignation dated February 24, 2000. And it's addressed to Tim Wrubleski, in your Saskatoon office I believe.

And I think for the record, I would like to read — it's a very

short letter — and I would like to read this letter into the record. It states:

This letter indicates my wish for early retirement to become effective on March 31, 2000 at 5:00 p.m. While I still have approximately three and a half years until I reach 65, I enjoy my work and job but I find the stress level unacceptable. I believe this stress is caused by the lack of leadership, direction, and common sense by management. The established policy of the branch changes at the whim of the manager. Hiring practices are unacceptable. The stakeholders have been short-changed by not receiving quality inspections which puts an extra burden on some. I find that I cannot work under the above conditions any further and this is the reason for my early retirement.

Now these are some very serious concerns raised by this individual, and one might say that if it's only one letter by one individual, it could be a personality conflict, all those sorts of things. But this letter on top of the December 16 letter, Mr. Minister, indicates that there are some very serious . . . there was some very serious concerns in the boiler inspection unit. And I still am not convinced that those concerns of these people have been fully addressed.

The same Mr. Russell wrote another letter to Ms. Grosse, the executive director, outlining some . . . on the same date outlining problems within the branch, talking about abuse of travel and those sorts of things, concerns being raised at staff meetings that were just simply brushed aside by management and so on.

And I guess what I'd like to do is perhaps read a paragraph from this letter that Mr. Russell sent to Ms. Grosse that perhaps summarizes the concerns. And I quote again:

It concerns me greatly as a government employee and also a taxpayer when I see the lack of common sense being used by our management. It is unfortunate that my concerns seem to fall on deaf ears and no one has the courage to correct the problems.

In closing I wish to make it perfectly clear that I loved my job and my work. I found a great deal of satisfaction in dealing with various problems encountered. Unfortunately, I cannot endure the stress due to the lack of leadership and questionable management style. I would like to have retired from my job in a more satisfactory manner, happy to be retiring and not happy to be getting out.

So, Mr. Minister, again these are some very serious concerns and I feel that I think you have to have a very close look at that unit and address some of those serious concerns. And what has been done to address some of Mr. Russell's concerns?

**Hon. Mr. Osika:** — Mr. Chair, I have a little bit of a concern. I regret the contents of the letter, but I have a little bit of a concern that here the member is bringing to our attention of this House and the public, conflict that existed between an employee and a manager — what I gathered from the letter.

I'm not so sure that that's something that should be discussed in a public forum. I'm prepared to address those concerns. And I

know that no one likes to hear about unhappiness or conflict, but when it is brought to a department's attention, it should be attended to. And I know that there have been efforts made to — since that time — to improve communications in the workplace and relations in that particular unit. I'm told there have been efforts made.

I can't believe that anybody would intentionally want to make an employee's life miserable in their place of employment. I don't think they'd do that intentionally. And there are . . . As we know this is human nature. Occasionally conflicts do arise and it's unfortunate. And I regret, I regret hearing what you read me in that letter.

But I am told that senior management involvement and meetings with inspectors has increased a better communication to ensure that these kinds of things don't happen again. And I can respect what the individual is saying. When you work and you reach retirement, you want to leave under happy circumstances.

I guess what I'm saying is that there has been a serious effort made to ensure that those kinds of situations don't occur on an ongoing basis.

And it's important perhaps, from time to time, that these things do come to our attention and we do deal with them, because it's important to ensure that we care for the well-being of professional people, of civil servants, of people who serve the public or work in any department of public service. And I guess in this day and age it doesn't matter where you work — whether you're in a department store or whether you're a civil servant or whether you work in government — there's one person that you serve and that's the people, that's the public, that's the folks that rely on you to serve them, to meet their needs and requirements.

So I'm suggesting to the member, Mr. Chair, that efforts have been made to create an open communication opportunity for members who have concerns to address those concerns and to ensure that there is a comfortable workplace for individuals, and to allow them if they have some problems, to allow them opportunities for training, to allow them opportunities to discuss their concerns in an open manner so that the workplace can have an amiable environment and still meet the responsibilities of whatever positions are required to be filled.

So I hope that addresses the member's concerns. And the other assurance I want to give is that that ongoing effort to ensure the well-being of employees will continue.

**Mr. Hart:** — Mr. Minister, I'm certainly happy to hear that there are efforts ongoing that are directed at solving some of these concerns and problems that have been raised.

Some of the concerns that were raised dealt with the travel policy of the unit and within the branch. I wonder, could you tell me how many trips the chief inspector of the inspection unit made outside of Saskatchewan, and also how many trips outside of Canada that that person made in the last fiscal year? Would you have that information?

**Hon. Mr. Osika:** — I don't have the specific numbers of trips

to whichever destinations, Mr. Chair. Criticizing the travel of the chief inspector is a concern because there's no way government would condone waste of taxpayers' money on attending wherever on government travel if it was not necessary.

But Saskatchewan has benefited from participation with agencies such as the Canadian Association of Chief Boiler Inspectors, and it would be beneficial for the chief inspector to attend an association meeting at that level, at that calibre. The National Board of Boiler and Pressure Vessel Inspectors as well is another opportunity that the chief inspector would participate in. The Canadian Standards Association and the American Society of Mechanical Engineers, which as I mentioned the chief inspector is a professional engineer.

These agencies, Mr. Chair, they establish and administer the codes and standards that the province of Saskatchewan adopts and enforces. So it would be appropriate for the chief inspector to attend and get updates and ensure that the provincial body was in fact in step, in tune, and following the standards that we're guided by.

**Mr. Hart:** — Mr. Minister, could you — I realize you don't have that information at your fingertips here this evening — but could you provide us with a list of the trips that the chief inspector took both within Canada and outside of Canada and the purpose for those trips.

The reason why I ask for that . . . I'm asking this line of questions is because I have in my possession a departmental memo that was written by one of the inspectors who felt that perhaps some of the travel by the chief inspector was not beneficial to the branch, that there was very little information was passed on to the inspectors in the field.

And so I wonder if you could provide us with a, as I said, a list of the trips, their purpose, and what information was passed on to the inspectors. Would you, could you do that, Mr. Minister?

**Hon. Mr. Osika:** — Yes, Mr. Chairman, we can supply the information with respect to the trips taken and the purposes and the reasons.

And I just want to once again express a concern about getting one side. We have a letter here from an employee. We don't know for what reason, maybe in conflict or is suddenly being critical of a person who is not in a position to defend himself or herself. I mean, it's . . . and I don't . . . there's one side of the story here. And we don't have the total side of the other story.

(22:00)

So I, again if it's a conflict between individuals, I'm not sure if it's fair to be debating it here in the Legislative Assembly. I mean if it's a personnel problem, then it could be attended to in other ways because those people are not here to be questioned directly and to be able to give their direct responses. I don't do . . . with all due respect, I don't think this is the forum for that.

Their concerns have been expressed with respect to safety concerns and so on, which have been addressed. If there are personnel conflicts in a workplace, I'm not sure this is where

we should be discussing it.

**Mr. Hart:** — Mr. Minister, I don't think that these concerns are of a personal vendetta. These concerns were raised by an inspector in a memo to UMC (Union Management Committee) committee co-chairs, and these concerns were raised and there was a number of other concerns. And I would think that if the trips are all just legitimate trips and have value, I don't think there's a problem with that. I certainly condone the trips that are of value and bring information and training back to inspectors and to that whole branch.

So if you have indicated that you will provide us with that list, we would be happy to receive it. And we would like the information, Mr. Minister, before the end of, by next week if possible.

I would like to now turn to some of the information that you surprised me with. I had asked you for the job description of the executive director of the protection and emergency services branch and you provided me with that, and also the resumé of the executive . . . the current executive director. And I have a couple, at least one or two questions with regards to that.

In the area titled job knowledge, there's one paragraph that says the incumbent must establish a vision for an appropriate level of protection services to the public and consider the most effective regulatory environment for protection services that consider technological advancements and public safety needs. To me that says that the executive director should at least have a background of some technical experience, some engineering experience, and that sort of thing.

When I look at the resumé of Miss Grosse, I see her education is Bachelor of Arts in public administration and a Bachelor of Arts in advanced certificate, and advanced certificate in political studies. There is no technical experience in this resumé, Mr. Minister. And I'm just wondering if perhaps that isn't a bit . . . a source for some of the discontent in that branch.

I don't know, Mr. Minister, but it seems to me that the present . . . the incumbent doesn't meet all the requirements of the job description. And I think that's a very serious concern to the public that we have the person who is responsible for safety protection of the public and doesn't have the proper qualifications. How do you answer that, Mr. Minister?

**Hon. Mr. Osika:** — An executive director, to create a vision, includes participation by all the people that are responsible . . . involved in that vision, which includes the chief inspector and the inspectors who work in that environment.

I think we talked about this before and you know, as an conductor you don't need to know how to play all the instruments but you have to be able to create a melody, and that melody is created by input from all the participants within that group who are able to read the music.

So I mean it's not . . . there are many instances that I'm sure the member could think of where a person does not have a specific degree in a particular area but has served as an executive manager.

As a matter of fact I think if you recall, I think it was Mr. Lee Iacocca that didn't know a thing about building a car, but created a tremendous industry or was involved in reviving an industry and yet he didn't know how to build a car.

So I use that as an analogy, not necessarily to be a technician to . . . (inaudible interjection) . . . No, he didn't build a Mustang. I know that he was involved with Chrysler, and he did a pretty good job of that without having to know how to build a Chrysler.

So I just offer that, that there is a need for executive management people to be able to orchestrate the visions and set goals and objectives. But you don't do that individually without input. Certainly, you use the people, you include the people that are involved in those visions and those goals and objectives. I mean that's the way business operates.

**Mr. Hart:** — Mr. Minister, you used the analogy — and I believe we've talked about this the last time — about the conductor doesn't have to play all the instruments and I agree. But certainly the conductor has to be able to read music.

And in this case when an executive director is dealing with technical information, and if you don't have any practical and background and education in that area — at least an exposure to that, of some sort of thing, whether it be an engineering degree but not particularly related to this area — but at least when you're presented with technical reports and those sorts of things, I would imagine it'd be very difficult if you don't understand what's on the paper in front of you.

And I would suspect that in some cases that this may be the case here, Mr. Minister. And I'm just wondering if that, as I said earlier, if that isn't at least in part the cause of some of the problems within the inspection branch.

So, Mr. Minister, I would urge you to look carefully at the administration of this protection and emergency services branch to ensure that the public is adequately protected.

And I guess one other question I might have that just occurred to me: do the people who have boilers inspected, whether it be a board of education or a health district or whatever, is there a charge for these inspection services?

**Hon. Mr. Osika:** — Yes there is a charge on a sliding scale as well. That's an answer to that question.

I want to go back to what the member continues to persist with respect to qualifications of individuals, executive managers. There are occasionally, in a variety of situations, conflicts within those people who you are referring to as technicians, amongst themselves. And on occasion there is a need to bring in someone as a manager of the operation to make sure that that orchestra starts playing together to create a melody.

So I just want to go back to that and I'm not sure, Mr. Chair, if that line of questioning is really . . . continues to be appropriate?

**Hon. Mr. Lautermilch:** — Point of order.

**The Chair:** — Order. I recognize the Government House

Leader on the point of order.

**Hon. Mr. Lautermilch:** — Mr. Chairman, on a point of order, with respect to the line of questioning as it refers specifically to an individual who is unable to protect himself or herself, I want to quote from Beauchesne's, 6th Edition, *Rules and Forms*, and it's on page 151. And I'm quoting from Beauchesne's:

The Speaker is traditionally protected from attack a group of individuals commonly referred to as "those of high official station". The extent of this group has never been defined. Over the years it has covered senior public servants, ranking officers of the armed forces, diplomatic representatives in Canada, a Minister who was not a Member of either House, and the Prime Minister before he won a seat in the House.

And under section 4 on that same page, it goes on to say:

The Speaker has cautioned Members to exercise great care in making statements about persons who are outside of the House and unable to reply.

And I want to as well quote from the *House of Commons Procedures and Practice*, Robert Marleau and Montpetit, and this is from page 524, and it's under the title of "Reference by name to members of the public:"

Members are discouraged from referring by name to persons who are not Members of Parliament and who do not enjoy parliamentary immunity, except in extraordinary circumstances when the national interest calls for the naming of an individual. The Speaker has ruled that Members have a responsibility to protect the innocent, not only from outright slander but from any slur directly or indirectly implied, and has stressed that Members should avoid as much as possible mentioning by name people from outside the House who are unable to reply and defend themselves against innuendo.

I've listened very carefully to the dialogue and the discussion and I want to say that, Mr. Speaker, or Mr. Chairman, it's becoming a much more common practice in this House than I think we would like to see.

I think I've made my case and I would ask, Mr. Chairman, that you consider my point of order and respond.

**The Chair:** — I would recognize the member from Saltcoats on a point of order.

**Mr. Bjornerud:** — Thank you, Mr. Chair. I'd like to respond to that point of order if I may.

Mr. Chair, we're not pointing a finger at any one person or any official in any department. But what we are doing is bringing a concern, in fact not one concern but a number of concerns that have been brought forward to us by employees and past employees of that department.

And I think we would be remiss as the official opposition if these were brought to us and we did not bring these forward. And again, Mr. Chair, I repeat that we're not pointing the finger

at any one person or any number of persons within that department. But we just wonder if the problems that have arose in that department have been dealt with or are being dealt with, and I think that's the questions we're asking tonight, Mr. Chair.

**The Chair:** — Order, order. Order. Could the committee please come to order. While considering the Beauchesne's, 6th Edition, I find that the line of questioning is appropriate to the point that it discusses in general the qualifications required for certain positions.

However I believe that the point of order is well taken in that the Speaker has traditionally, under Beauchesne's, 6th Edition:

The Speaker has traditionally protected from attack a group of individuals commonly referred to "as those of high official station". The extent of this group has never been defined. Over the years it has covered senior public servants . . .

And to that extent I would find that the point of order is well taken to the extent of questioning a specific individual's qualifications for a specific position.

However, generally or to a certain extent that that individual does not hold the qualifications of a specific job, but as if it pertains specifically to a position, I think it would be in order. But in this case I believe that you were talking specifically about an individual, so I find the point of order well taken.

**Mr. Hart:** — Thank you, Mr. Chair. A follow-up question to my last question. How many dollars does your department collect in these inspection fees?

**Hon. Mr. Osika:** — Mr. Chair, while there is some additions to the amounts being carried out, I again want to just reiterate what I said earlier about addressing . . . having addressed the concerns that were expressed by employees in the past.

And I think I've indicated that there have been efforts made to increase the opportunity for communications. There have been plans to create a much better working environment. And that's involved all employees of the working unit and with the addition and some help from the Public Service Commission as well. So again I believe I said it before, that those concerns did not go unnoticed.

And with respect to the qualifications for the individuals involved, they have been upgraded; they have been trained. We have a chief inspector with I believe it's something like 27 years in total service — some 13 in the private sector and 14 with the department. Those qualifications, with the overseer, those qualifications to ensure that people working in the department, the subordinates, do carry out their responsibilities effectively and efficiently.

It would not be in the best interest of the chief inspector, or the department, to accept performance otherwise.

Collection of fees, the total is approximately \$1.5 million.

(22:15)

**Mr. Hart:** — Mr. Minister, I have one other issue that I would like to discuss with you unrelated to the topic that we have been talking about. I have a letter in my possession that . . . from the Echo Lake Bible Camp at Fort San and I believe, Mr. Minister, I believe that is in your constituency.

They are very concerned about their taxes, that their last, I believe their 2000 — their letter states — that their 2000 tax bill was \$11,658. They are having a great deal of difficulty in generating enough revenue to pay their taxes and that sort of thing. And they have some concerns as to why they themselves — because they are a Christian camp. I'm not sure, it doesn't tell me whether they are associated with one of the existing mainstream Christian churches and that sort of thing — but they did ask me to get some information on their behalf.

What is the department's policy on charitable church organizations? Which church organizations are taxable and which ones aren't? Could you explain that, Mr. Minister?

**Hon. Mr. Osika:** — Mr. Chair, church property is exempt. Camps are not. And there was a tax review committee made up by all the responsible departments — SARM, SUMA (Saskatchewan Urban Municipalities Association), SSTA (Saskatchewan School Trustees Association), and the department — in reviewing the taxation of a variety of properties, and it was concluded that properties of the nature the member's talking about not be exempt. But since the member is so close from Last Mountain-Touchwood perhaps we should discuss it closer.

**Mr. Hart:** — Mr. Minister, the letter indicates that a sister organization in Alberta and BC (British Columbia), they're not taxable. So their camps . . . I would assume that there are different policies in effect in Saskatchewan versus Alberta and BC?

**Hon. Mr. Osika:** — Yes, different provinces have different exemptions and you may go to another province other than Alberta and find, you know, they have a different approach to this. But having said that, if that group, that church group, feels they're having some problems, they should perhaps approach the RM. I believe that's the RM of North Qu'Appelle unless that's further west, and I'm not sure. But they may, they may approach the RM to discuss their concern.

The RMs, as the member's aware, Mr. Chair, they do have tax tools that they could apply in consideration of an approach by these people.

**Mr. Hart:** — Mr. Minister, the camp falls within the administration area of the village of Fort San. And the letter states that up until 1997 Fort San gave us a 50 per cent reduction in our taxes. But it goes on to say, but since then they feel they have not been able to grant us this because of government policies in decline of grant revenues.

And what they are specifically requesting, they said, we would ask you to help us. And they have two requests: to be exempt from this tax as the Prairie Christian Training Centre is, and the second one, or be permitted to only pay the municipal tax and not the school tax.

And the reason that they ask this is because their support comes from donations from individuals and churches, and they feel that they're not in a commercial enterprise and they don't generate revenue on that basis, and they really are struggling, Mr. Minister.

**Hon. Mr. Osika:** — Mr. Chair, I would if I . . . I would respond to the letter by, by suggesting that the community approach the village of Fort San and express their concern. That falls within the purview of that resort village, and they also have tax tools that they're eligible to apply. So I humbly suggest that that's the direction that perhaps that group should pursue.

**Mr. Hart:** — Mr. Minister, this is my final question for the evening, I'm sure you're happy to hear that. Is your department looking at this whole area of charitable organizations that don't fall within the existing guidelines, and are you looking at perhaps doing something to help these people? Because I know what the answer is going to be. They're going to go to the Fort San and Fort San is saying look, we need the money, we can't afford to give you a tax break, and go to the province and see if there's something that can be done, it's the province that's going to have to help you. At least I suspect that's going to be the answer when they go to Fort San.

**Hon. Mr. Osika:** — Again, I go back to . . . the decision not to exempt those properties was made by the committee made up to review property tax exemptions. And that was representatives from the various organizations — SARM, SUMA, SSTA, and so on. And there's no review planned in the immediate future to carry that out.

The only suggestion again I would have is that they approach the village and see if they may be able to apply some tax tools that would ease their concerns, at least at this time.

**Ms. Draude:** — Thank you, Mr. Chair. And thank you, Mr. Minister, and to your officials.

My questions are on the infrastructure program, Canada-Saskatchewan Infrastructure Program. I know that the decisions that are made on this with regards to who's going to be receiving the money from this program is decisions that are made by your government, and most towns and villages do make out an application every year.

I believe the last time we had an opportunity to speak you relayed the information to me that most of the applications for water and sewer were the ones that were received. Can you tell me what percentage of them were received that were to do with water and sewer this year, and if that was indeed where most of the money was spent?

**Hon. Mr. Osika:** — Mr. Chair, about two-thirds of the money, about 16 million out of 24 million was spent on water and sewer projects.

**Ms. Draude:** — Thank you, Mr. Minister. I know that because of the problems with the water systems in many of the small towns there was a number of them had made applications for enhancements for some of their infrastructure and many of them had been waiting and banking on this.

I heard on the news, and I'm sure that most people around the province heard the same thing, that there was money spent on projects like cable TV that were approved ahead of infrastructure money for water and sewer. Can you give me an idea of how much money was spent on things like cable TV?

**Hon. Mr. Osika:** — Mr. Chairman, I'm glad to have the opportunity to clarify the question, what the member is alluding to, and I believe you said you heard it on the news. Now the projects that that news report referred to . . . and I'm very pleased to have an opportunity to clarify because sometimes we get again only one side of the story. Now those projects that were referred to in that CBC report were funded under the old Canada-Saskatchewan infrastructure works program.

That was between 1994 and 1998. Under the Canada-Saskatchewan infrastructure works program, funding at that time was per capita based. Each community could determine its own infrastructure priorities as long as the projects were eligible under the program guidelines. So more than \$86 million was spent on water and sewer projects through that Canada-Saskatchewan infrastructure works program.

Now, about \$7 million was allocated for water and sewer projects in northern Saskatchewan in addition to the northern water and sewer projects. Each northern municipality was allocated a per capita amount, which could be used for local infrastructure priorities. This per capita allocation was at the request of the communities. So this is beyond the programs that are in place now; this is prior to.

So I just want to clarify that. There were different programs and people had different priorities earlier. When the problems now that were surfaced, SERM's (Saskatchewan Environment and Resource Management) list of communities with potential water infrastructure problems had not been released when this particular Canada-Saskatchewan infrastructure works program was in place.

So I believe that there may have been some confusion by the report that indicated to the public that we have this infrastructure money and it's being spent on what people might have suggested as frivolous projects in some remote communities. But what those communities decided was that there were projects that they felt would enhance their lives in those small northern communities.

Unfortunately sometimes those stories make things look out to be like, well it was just a waste of money because they bought cable TV and whatnot or tried to improve their standard of life when they should have been spending it on something else, which at that time was not indicated or believed to be a priority in those particular communities.

So this new program, Canada-Saskatchewan Infrastructure Program was designed as a project-based program so that senior governments could target high priority infrastructure needs and water and sewer projects — for which a serious health or environmental problem has been identified — are the highest priority for this particular program that's in place right now. And presently more than \$13 million has been allocated to the sewer and water projects in 56 communities.

Under this particular program . . . and I appreciate the opportunity to say that under the current program which addresses some serious concerns, no cable television, no curling rinks, golf courses, or similar projects have been approved under the Canada-Saskatchewan Infrastructure Program. And each project that's applied for is scrutinized by representatives who respect the best interests of the communities on behalf of whom those applications are presented.

Most of the projects as I mentioned, and particularly those people that have had boiled-water advisories, any of those communities that had applied for help; they were given the highest priority. And they were responded to and received that kind of help. And whatever help was available in those situations will continue to prevail.

So I hope that clarifies the concerns that may have been raised by a report that may not have been totally complete with respect to the targeted projects for which infrastructure works programs were qualified and to keep those two programs separate.

(22:30)

**Ms. Draude:** — Thank you, Mr. Minister. Mr. Minister, in the new program I believe that there has been a number of communities that were given . . . whose grants were approved and then at the end of the year the work was never completed so they weren't allowed to carry the program forward till the next year.

Can you give me an idea of how much money last year was allocated and now not spent because the project was never completed?

**Hon. Mr. Osika:** — Mr. Chair, there was about a half a million dollars that was not able to be used because of the lateness in the applicants notifying the department that they would not be able to complete those projects.

People that informed the department of earlier completion had . . . would indicate or a release of some of the monies that were not in fact committed. However when there were some of those communities that notified the department they weren't able to complete the project, so that money was not used.

**Ms. Draude:** — Mr. Minister, I know that there was a number of communities that were not able to complete their project because paperwork, holdups through environmental concerns, and they'd started a project and then were not able to complete it. And then the next year, because the funding wasn't there, they left them in a real bind.

And even though the money was allocated by your department, it must have been thrown back into the General Revenue Fund to be re-spent again the next year, which did not help these communities at all.

Is there any way that your department is looking at this so that if the money is allocated and then given a reasonable opportunity to finish it the next year, why isn't the funds carried over so that they are actually able to complete the project instead of leaving them in the bind.



**Hon. Mr. Osika:** — Mr. Chairman, I believe the member is referring to the provincial-municipal infrastructure program which . . . there is a difference from that one to the one that's currently been announced: the Canada-Saskatchewan Infrastructure Program.

But going back to the provincial-municipal program, whatever money is not used is lost. I mean we couldn't roll it over. It was not allowed to be carried over. But under the current program, there are opportunities to apply for ongoing projects.

I'm not sure if that's clear enough, but under that provincial-municipal program, any monies that weren't used could not be carried over within the department.

**Ms. Draude:** — Thank you, Mr. Minister. I understand what you're saying, is if there's . . . as of this year then, if there's an application approved and they're not able to complete the project, then there is an opportunity to carry it over to the next year so that they can complete a project. Is that correct?

**Hon. Mr. Osika:** — I understand that applications can be made for multi-year projects. So if a project can't be completed within the first year, they can apply into the second year. So it's . . . well the multi-year project would be acknowledged.

**Ms. Draude:** — Thank you, Mr. Minister. I'm not going to ask you to repeat it. I'm just going to say . . . what you're telling me is that if somebody applies for a program this year and they don't get it completed, then even if they haven't said this is a multi-year program because they think it's going to be completed in one year, the money is allocated. I'm hoping what you're saying is then they can finish spending the money next year.

As long as we're on the same wavelength, then we'll just stop there and I'll ask you one short question in which I hope I receive one short answer and then we can go on.

I have a letter from the village of Spalding and they had submitted a grant to Municipal Affairs in December and they hadn't received an answer as of April 18. And when they asked, phoned in and asked, they were told very rudely they didn't get any money for their project. So they're asking for information on how the grants are decided and why applications were not considered?

So I am wondering if you can give me a response to their letter to me.

**Hon. Mr. Osika:** — Mr. Chair, I wonder if the member would share that letter with me. We could respond to them for any reason, specific reasons they may have been denied. It's the village of Spalding, I believe the member said, and we don't have the record here as to what the project was they applied for.

But I think there was a question earlier about how are these projects reviewed. There are representatives from SARM, SUMA — SSTA I believe is also in that particular . . . only SARM and SUMA, I'm sorry — and the federal and provincial representatives who sit in the decision-making process on which projects fall into the criteria.

So I hope that responds to a concern that was raised earlier with respect to how are these projects viewed and it's a body of people that have the best interests of those communities at heart as well.

**Some Hon. Members:** Hear, hear!

**Mr. Toth:** — Thank you, Mr. Chair, Mr. Minister. And I'm not going to hold you another hour. But I actually want to do a quick follow-up to the bible camp situation here.

Mr. Minister, there are number of camps throughout the province that are actually finding that it's becoming more and more difficult for them to operate and you may or may not be familiar with how a lot of these bible camps operate. It's strictly charitable donations.

Many of the camps provide a real opportunity for young people through the summer to give them something to do in the summertime — a good camping experience. And they supplement the costs of those campers.

And, Mr. Minister, you mentioned about talking to the RMs, local RMs, or towns, whoever might be responsible. It would seem to me, Mr. Minister, it probably would be more appropriate to have a provincial policy versus having one RM make an exemption and another RM charging the full amount of whatever tax might be available or might be constituted against that property.

So, Mr. Minister, I would ask of you and your department to give some thought and some consideration to a provincial policy that at least creates some equality so that one camp isn't treated differently simply because they happen to live in an RM or a rural council that they may view their presence as something positive and good to their RM and equality of life within the RM because of their presence.

**Hon. Mr. Osika:** — Mr. Chair, in response to the member's concern, and I do appreciate it and respect that concern. I am informed that the committee reviewing tax exemptions provincially has recommended that the province does not create any more tax exemptions. That those should be issues in matters that are dealt with on a local government basis.

However, having said that, I am certainly pleased to take the suggestions and the comments under consideration. However, I wanted to clarify the fact that it's in response to the representatives of local governments that the province has responded to in not meddling in what they see is their responsibility and should be their considerations with respect to properties they wish to exempt or not, and that the province should refrain from becoming involved in that . . . you know, not usurp their authority in those respects. However again there will be consideration given from our part on that particular issue.

Subvote (MG01) agreed to.

Subvotes (MG02), (MG07), (MG17), (MG03), (MG15), (MG05), (MG18) agreed to.

Vote 24 agreed to.

**Supplementary Estimates 2000-01  
General Revenue Fund  
Municipal Affairs and Housing  
Vote 24**

Subvotes (MG03) and (MG05) agreed to.

Vote 24 agreed to.

The committee reported progress.

**The Deputy Speaker:** — It being now slightly past 5 p.m., this House now stands adjourned until tomorrow at 10 a.m. Have a pleasant evening.

The Assembly adjourned at 22:47.