

EVENING SITTING

COMMITTEE OF THE WHOLE

Hon. Mr. Lautermilch: — Thank you, Mr. Chairman. I move the committee rise, report progress and ask for leave to sit again.

THIRD READINGS

Bill No. 30 — The Liquor Consumption Tax Amendment Act, 2002

Hon. Mr. Lautermilch: — Mr. Speaker, I move the Bill be now read a third time and passed under its title.

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

Bill No. 58 — The Income Tax Amendment Act, 2002

Hon. Mr. Lautermilch: — Mr. Chairman, I move the Bill be now read a third time and passed under its title.

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

The committee reported progress on Bill No. 36.

COMMITTEE OF FINANCE

**General Revenue Fund
Government Relations and Aboriginal Affairs
Vote 30**

Subvote (GR01)

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

Hon. Mr. Osika: — Thank you, Mr. Chairman. I would like to first of all introduce a number of officials that are here with respect to Government Relations and Intergovernmental Affairs, which the committee will be dealing with this evening.

I would like to introduce first of all, on my left, Brent Cotter, deputy minister, Government Relations and Aboriginal Affairs; Larry Steeves, who's the assistant deputy minister, municipal relations; John Edwards, who's the executive director, policy development; Russ Krywulak, who's the executive director, grants administration and provincial municipal relations; Doug Morcom, director of grants administration; Trent Good, who's the acting executive director of community planning; Wanda Lamberti, who's the executive director, finance, administration and information technology; and Marj Abel, director of finance and administration.

As well we have with us this evening Mr. Paul Osborne, who's the assistant deputy minister, trade and international relations; and Al Hilton, who's the assistant deputy minister of federal-provincial relations.

Ms. Draude: — Thank you, Mr. Chair. And, Mr. Minister, and

to all your officials, welcome. It's a pleasure to be able to ask you some questions tonight on behalf of my constituents and people across the province. I'm going to have a number of questions for your department, and then for Aboriginal Affairs, and then back and forth just so you remain very interested all night long.

Mr. Minister, the first question I'd like to ask you is about the municipal library. Now I know that this has been taken from your department this year and moved over to Education. Can you tell me how this is affecting your department, how many staff you're losing, and what really this is going to mean? Has there been some kind of a process set up for the removal of this area from your department?

Hon. Mr. Osika: — Mr. Chairman, I appreciate the member's question. There was the total of 30.3 full-time positions that went to the Department of Learning with the library responsibility area, and basically those are the people that are employed in the library. So there were no people actually out of the department, out of the head office department. These are people that are already in the Provincial Library.

Ms. Draude: — Mr. Minister, how is this going to affect the libraries in rural Saskatchewan? Are the people going to be phoning the Department of Learning now? How is the process going to work when it comes to the transfer of books and the needs that are going to be . . . that will be required out in rural Saskatchewan?

Hon. Mr. Osika: — Mr. Chairman, the reporting relationship has been changed through the Department of Learning, or to the Department of Learning. Nothing else has really changed as far as the physical responsibilities of the individuals involved with the libraries, merely the reporting and the responsibility from the Department of Learning to the library people and libraries through the Department of Learning. So it's the communication aspect that's changed.

Ms. Draude: — How much funding actually went over to the Department of Learning from your department?

Hon. Mr. Osika: — Mr. Chairman, the total amount of money that was transferred — \$8.372 million that went with the library end of it.

Ms. Draude: — Mr. Minister, I read that last year there was 233 employees in your department, now there is 200.5. And I also understand that the responsibility for housing has also gone over to another department, so the number of employees that went for municipal . . . for the library system actually would have taken up this loss. So can you tell me what the difference is? You should have had . . . wasn't there anybody employed in housing or what's the difference in the numbers here?

(19:15)

Hon. Mr. Osika: — Mr. Chairman, I'm given to understand that the numbers in March as far as employees — which would include Intergovernmental Affairs, Aboriginal Affairs, Municipal Affairs, and the Provincial Secretary — made up the base number of 233. So that was what the figure is based on and

that number was reduced by 33.

Ms. Draude: — Mr. Minister, have you had any feedback from the local library boards regarding the transfer of responsibility from your department to Learning?

Hon. Mr. Osika: — Mr. Chairman, to the member, there has not been — none that I'm aware of — and the department hasn't indicated any concerns as a result of the transfer. A lot of people felt that, given books and education and learning go hand in hand, that it was the appropriate move.

And since that time the transition seems to have gone smoothly and we have not had any specific concerns from the people in the library system with respect to the transition.

Ms. Draude: — Mr. Chair, Mr. Minister, I'm one of the people that thinks it was a good idea to move the municipal libraries over to Learning. I believe that this is going to actually remove . . . there was a duplication of services in lots of cases in the small towns and it'll be an opportunity then for a librarian that may have been working in a separate building to actually be working within the school system. And I believe it may also get people to be in the school that maybe never had been part of the system. So this is something that I think is positive.

Mr. Minister, I believe that in some areas high-speed Internet was connected to the libraries. Is there . . . Maybe I should ask that question first of all. Was there any of your municipal libraries connected to high-speed Internet?

Hon. Mr. Osika: — Mr. Chairman, to the member, I want to first of all mention that that was an excellent assessment. And I appreciate that very much, your observations and assessment of the move from the libraries to the Learning department.

With respect to the question about the Internet, high-speed Internet, there will be, as a result of the Canada-Saskatchewan Infrastructure Program, 162 libraries that will be connected to the high-speed Internet throughout the province, which is an excellent and a very positive step — and I hope people out there will see it as such — and allow them the opportunity to access virtually the world probably a lot easier than some folks in the major centres in the US (United States) can access some of the Internet, the global Internet.

So we're very pleased about that and happy to be able to supply that very important tool to people in rural communities throughout this province.

Ms. Draude: — Mr. Minister, does that mean these 162 locations will actually have the funding for the high-speed Internet paid for through a program that involves the federal government? And will this now benefit the school system?

Hon. Mr. Osika: — Mr. Chairman, the schools are now connected through the CommunityNet, so it will be the libraries that'll be connected to high-speed Internet and will then be able to assist or be accessible to other libraries or school libraries as such. But the schools will be connected through the CommunityNet.

I just want to mention, if I may, I'd just like to read this in that

the Industry Canada, who's been responsible for a great deal of the funding for existing library community access program sites, and it was under the every library connected program or CAP (community access program), sites were established in over 300 libraries in Saskatchewan. The federal government's offering up to \$5,000 per site which is very, very welcome for the 306 library CAP sites in Saskatchewan, plus Provincial Library's administrative costs up to 10 per cent for a maximum contribution of \$1.61 million.

So that's the agreement that kind of outlines the disbursement of funds throughout the province. For 2001-2002, in the area of \$1.27 million; and in 2002-2003, \$335,419 which is really welcome funding to allow us to supply that type of communication tool to rural areas.

Ms. Draude: — Mr. Minister, I understand that's money that's coming from the federal government.

Hon. Mr. Osika: — Yes, Mr. Chairman, to the member, it is federal funding. And that's why I say it's so much appreciated that that type of investment by the federal government is allowing us to give people in rural Saskatchewan the type of facilities that they're entitled.

Ms. Draude: — Mr. Minister, then this money that's coming from the federal government, the Department of Learning is the one who makes the decision on where it's . . . the money is going to?

I guess I have two questions about this. Is there going to be two separate bills to school divisions, one for CommunityNet and one for this high-speed Internet set up through their libraries, or is all going to be integrated into one billing?

Hon. Mr. Osika: — Mr. Chairman, the billing for the CommunityNet is through Sask Learning . . . through the Learning department, and perhaps the member may wish to pursue that aspect with the Minister of Learning next opportunity, or whenever. As far as the high-speed, that's through the regional library system that the billing will be done.

Ms. Draude: — Mr. Minister, then the systems aren't truly integrated then. Even though municipal libraries has moved over to Learning, we're still having basically two separate programs and structures within this department. It's not under the purview of each school board?

Hon. Mr. Osika: — Mr. Chairman, to the member, the communication system is integrated. But specifically for the question the member asked I would appreciate it, and it's not to pass the buck, but the Minister of Learning would be perhaps in a better situation . . . because we still have those separate boards that are involved. We have the library boards and we have the school boards that may very well . . . the regional library boards and the school boards that are involved in this whole process as well.

So that may be best answered, your specific question about the billing procedures, may best be answered by the Minister of Learning because again, as I say, we still have the regional library boards and we have the school boards that are involved in this exercise.

Ms. Draude: — Thank you, Mr. Chair, Mr. Minister. So you're going to still have the municipal library board and they're going to be trying to work within the school system, and yet they're going to be sharing a library facility, and they're what, two separate billings?

Hon. Mr. Osika: — Mr. Chairman, there are still the school boards that are in place and the municipal libraries, and the school libraries, and the municipal libraries. I understand that in some cases there has been some integration based on agreements on the local level, where they can exchange or participate in some way, shape, or form.

But again, and I apologize for not having the specifics on this particular aspect which, with all due respect, would be better addressed by the Minister of Learning, in the event that there are perhaps some proposals or considerations for closer integrating the entire systems.

At this point I understand that there are some areas that have taken it upon themselves, through their own initiative, to tie in between the local municipal library and the school library. So it's . . . there's some co-operative efforts that are involved or required.

Ms. Draude: — Mr. Minister, then there will be an opportunity then for the local municipal library boards to work with the school boards when it comes to cutting back on duplication of books because they can go back and forth easier? Is that something that may be happening?

Hon. Mr. Osika: — Mr. Chairman, to the member, yes that's possible. Not only possible but very reasonable, in my humble opinion, that there is that kind of again co-operative effort to ensure that the services, that the requests by the public, and the requirements by other facility that they co-operate and . . . co-operate between one another to ensure that services are fully available to meet the needs of their citizens.

Ms. Draude: — Thank you, Mr. Minister. I will ask the Minister of Learning questions on this area.

So I have one other question on some . . . probably co-operation between different departments. I know that there's a number of schools are actually building facilities where their gymnasium or their hall . . . gymnasium could be used as a community hall or a community facility as well.

Do you have any examples or cases right now where the Department of Government Relations is working with Learning to build a facility that may be accommodating a community to provide a service or a structure that would be multi-purpose?

(19:30)

Hon. Mr. Osika: — Mr. Chairman, to the member, the . . . there are no specific building programs where Government Relations has indicated to municipalities that they must build integrated facilities to accommodate events for the community plus administrative services for their electorate as well. However, through the communities' own initiatives under the Canada-Saskatchewan Infrastructure Program and under the Centenary Fund, there have been communities who have gotten

together with RMs (rural municipality) in the area, and I know of one for example, just off the top of my head, at Montmartre where they used that funding to build municipal offices and a library — a modern, up-to-date library.

So the initiative and the incentive would be at the direction or at the decision of the municipalities and individual communities. And I'm not sure if I heard the member say perhaps Archerwill did . . . (inaudible interjection) . . . Well, okay, whatever. But once again . . . And I believe it's commendable, particularly to those communities that have need for facilities, to accommodate perhaps a number of functions such as administrative, library, and in some instances perhaps even a community hall where people can participate in local occasions and events.

Mr. Allchurch: — Thank you, Mr. Chair. Mr. Minister, welcome to your officials tonight. I'm going to try and direct my questions to one part of a problem that I got up by Big River and that's probably to do with both IGA (Intergovernmental Affairs) and your department. But I'm going to try and direct the questions to you in regards to the municipal side of it.

In regards to the Carlton Trail which is north of Big River, where there's a land claim on the . . . a portion of land — I know that department doesn't deal with you — but the Carlton Trail itself is a municipal road that goes up through that area. Now can you fill me in on what's happening since the meetings that went on some time ago regarding the Carlton Trail and the municipal part of it.

Hon. Mr. Osika: — Mr. Chairman, to the member, if I may, I would like to defer to the minister responsible for Aboriginal Affairs that has been directly dealing with that file.

Ms. Draude: — Thank you very much, Mr. Chair. Mr. Minister, we'll have a number of questions then in that area that we'll be asking later on to the minister.

Mr. Minister, I understand that you now have the responsibility for Sask Water. And I have an area that I'm quite concerned about, and I'm going to actually read you a part of a letter I received from a constituent who was concerned about the pipeline in their area.

The people right now have water piped in in the Humboldt area and they feel that it is really beneficial for them because they have a very secure waterline. They have good water and people are saying that they'd also like to join onto this pipeline. But PFRA (Prairie Farm Rehabilitation Administration) doesn't have funding for them right now and there is actually another 40 farms and acreages that are requiring funding.

We know that with the concern about safe water and this year with the scarcity of water in many areas, it's a concern that there isn't funding to actually supply the basics and the needs to many of the farmers in this area.

There was a big amount of money put into this facility to get it started, and to join, to add onto it, will lower the cost for some of the people that are already receiving water through this system, and it will actually ensure a safe water supply for the many acreages and farms that are looking for help right now.

So the people that have written to me are asking that we look into it and see if your government is looking at a way to actually expand the system and ensure that there is more availability.

Have you had an opportunity to look into this area?

Hon. Mr. Osika: — Mr. Chairman, the member may . . . is probably aware that the water file was one that I had the opportunity to participate in. The specific circumstances you're speaking of, I'm not aware of. I'd be very, very pleased to receive a copy of the concern that's been expressed.

And on that note, just to once again reiterate that the situation with . . . the water situation throughout the province is not a trivial issue and it's not being taken lightly. And there are a number of efforts and attempts through Sask Water to — and I know people, environment people — to deal with some of those issues or at least acknowledge some of those issues and work with communities in trying to determine what the best efforts might be to overcome these immediate problems.

In some areas, some of the problems have been lessened. And thanks to the opening up of the heavens here in recent days, there are some things that can be done through various projects and investments. A lot of it still, down the road, will depend upon mother nature and how we see the return to regular rainfalls and water supplies through the natural way.

But having said that, again I just want to point out that there are consultations that are ongoing with even engineers in the private areas who are as concerned about wanting to participate and seeing that there are appropriate programs and opportunities in place to assist people who are in these kinds of situations. And we know full well that province-wide there are communities that have a desperate need to upgrade their deteriorating infrastructure and perhaps a search for other sources of good, clean, quality drinking water.

And the options that are available are all being looked at very carefully in the variety of areas where in some areas one option may be more appropriate than another, and the regionalized system very definitely is one of the options. In some of the smaller communities that exist, water hauling may be another long-term, viable, and financially favourable situation . . . affordable situation. So there's a number of those areas, but I'd be very pleased to look into that situation that you've mentioned here this evening.

Ms. Draude: — Okay, Mr. Minister, I'm going to be sending a copy of the letter that I received over to you, and I will indicate to the people that you'll be looking into it and contacting them as soon as possible.

Mr. Minister, I know that there has been areas of the province that have received considerable moisture in the last little while, but there are other areas of the province that have not. There are still a lot of people hauling water for cattle, there is still a lot of people who know they won't get a hay crop this year, and there's a lot of people who aren't going to get any farm . . . their crop is actually going to be very poor, if anything, this year, so we can't say that the problem is over.

Mr. Minister, we know that there is \$300 million worth of infrastructure needed to update the water systems and the infrastructure in this province, and I looked at this budget and saw that it's not going to be there. There's not many people are going to be receiving the help that they need this year. So I guess we're going to have to be hopeful that it's going to be coming in the next year or so because there are people . . . towns and communities right across this province that are in dire need for help when it comes to the infrastructure.

Mr. Minister, going on to another area when it comes to the assessment and the property taxes, I've received another letter from a hotel owner in my constituency who was . . . were very concerned last year in the spring of 2001 when their property tax assessment came in and their bill had gone from \$1,200 to \$6,628. The town council had met with them and they were guaranteed an abatement of \$725 and they were waiting for an opportunity to appeal this year.

This year when their assessment . . . they waited for their assessment notice to come in. The mayor had been helpful on their behalf and informed us he was going to have a special meeting to discuss the hotel property taxes. And later on they found out that the village actually hadn't sent out assessment notices this year and they were denied an appeal.

Mr. Minister, going from \$1,200 to \$6,628 in one year is way too large a jump for a small town, for any kind of small business in a small town. And I'm wondering if this is the type of information you've received from right across this province.

Hon. Mr. Osika: — Mr. Chairman, first of all if I can follow up just to your initial comments for people that are desperate for water. I agree, and I just . . . I know that the member is aware of the Canada-Saskatchewan Infrastructure Program and the number of applications we get for the second year. And the applications always are well beyond the amount of money that's available, so the priorities are given to those people that are in real dire straits.

The drought situation is just another added difficulty, if you wish, in addressing those communities that have been without rain and their water sources are drying up. Those are other projects that hopefully will be addressed, again through the program or through whatever grant money might be available through those applications under the Canada-Saskatchewan Infrastructure Program. Otherwise the alternatives are for the municipalities who have the responsibility for good, safe drinking water to look at alternate sources of revenues — either their reserves or the municipal financing corporation, working with other communities which has become a reality as well; communities that pool their resources and make application for some assistance in that respect.

Now with respect to the assessments, the number of assessments that were carried out during this past assessment year did involve some appeal or a number of appeals and a number of concerns that were expressed by businesses from different parts of the province. Now I know that the SAMA (Saskatchewan Assessment Management Agency) board is carefully looking at the process that was followed and are reviewing what processes will be in place for the next assessment year.

So I guess what I just want to say to the member, Mr. Chairman, is that whatever concerns have been brought to the board are being addressed. Those businesses or residents/owners who have concerns about their assessment, as the member is no doubt aware, do have an appeal process that they can launch. And other than that I'm not actually certain what I can suggest. Again, if there's a specific situation that you want to share with me that I could ask the SAMA board to follow up on or look into, I'd be more than happy to do that.

Ms. Draude: — Mr. Chair, Mr. Minister, I will again send you a copy of the information that I've received from this very frustrated business owner. I know that they're not blaming the town council either because there's a real need for funding, again for the water system and the roads and all the rest of it. But you can't expect a small business to go from \$1,200 to \$6,600 in one year when they're making their money on coffee. So it's something that we have to address.

I'm going to send you a copy of this information and you can forward it on to SAMA. I understood from your answer that SAMA's going to do some reassessment and I think that . . . I'm not sure if I heard you say that they're going to have the new system up by next year, but looking at relieving some of the responsibility for taxes from places like hotels is going to be a must if we're going to be able to keep them viable.

So, Mr. Minister, I will be sending this information over to you and hopefully you'll be able to get to my constituent and let them know what your government is doing to address this very real concern.

(19:45)

Because I have a potpourri of questions to ask you tonight, another issue that a lot of my constituents are concerned about is the farm land property tax rebate program and the fact that the deadline was so inflexible. And the fact that last year they actually had a . . . or allowed . . . they extended the deadline for some time. This year there was no extension on it. Someone . . . the opportunity that people had to apply was not great.

I'm going to read you the letter so that you understand what this constituent of mine is talking about:

The property tax rebate program allowed the applications for the rebate of taxes for the year 2000 to extend 13.5 months. The application for the rebate for the year 2001 was allowed only six weeks. All of the bills are paid December 31 and because of year-end my taxes were paid on December 31 with a post-dated cheque.

After January 2 the RM sent me a receipt for my payment in the mail which I would have received approximately the week of January 8. I work off the farm like many people in rural Saskatchewan. Since all bills coming in in January need to be paid in February I didn't get my bookkeeping done until February. And in February I was shocked to read that the application for the tax rebate ended February 15 and it was already February 21. I applied anyway and knew that I wasn't going to be able to receive the money.

Mr. Minister, there must have been money put aside for taxes

when you had the \$25 million there, knowing that there was going to be a number of people apply for it. I don't know how much . . . I guess one of my questions can be: how much did you pay last year for the rebate and how much this year? Because with the extension on the deadline for last year and not this year there was a number of people cut short. I'm wondering how much money you actually spent out of that 25 million this year, and if there's funding available for some of these people who were caught in this kind of crisis situation.

Hon. Mr. Osika: — Mr. Chairman, to the member, I want to assure you — assure the member, Mr. Chairman — that I'm not trying to avoid answering your questions, and I notice that you're piling a lot of work up on me and I appreciate that. But the Ag and Food department are the ones that had administered that particular program, and that would be the department better able and capable to respond to that particular question. I apologize for that.

Ms. Draude: — Mr. Minister, when you came in you introduced one of your officials as someone from the trade area. Can you tell me what your area does in the area . . . in the area of trade?

Hon. Mr. Osika: — Okay. Mr. Chairman, I'm happy to tell the member that our trade policy within Government Relations involves developing policies and represents the province's position on trade and investment policy issues in various international and, very importantly I think, internal trade negotiations and under various forums and agreements.

As you can appreciate, between provinces there are different agreements and trade issues that go on. The department would become involved in representing this province with respect to concerns over, for example, the softwood lumber trade issue to make representation on behalf of our province with respect to the effects of that particular situation.

And it also manages Saskatchewan's participation in the resolution of trade disputes. So as you can appreciate that if there's something — anything — that's affecting our province, that we would have representation there to put forward on the table our position with respect to any trade issues.

Ms. Draude: — Thank you, Mr. Minister. How many people in your department work in this area of trade and how much money do you spend on it?

Hon. Mr. Osika: — That particular unit has five people and the budget for that department is \$450,000 — \$450,000.

Ms. Draude: — Mr. Minister, I think the member from Saltcoats has a number of questions. But I just want to ask you how this department works with Intergovernmental and Economic Development and all the rest of it that are also dealing with trade?

Hon. Mr. Osika: — This aspect of the unit deals with the trade policy issues and representation on trade related disputes and negotiations. It's also an important and integral part of the other departments' responsibilities dealing with other provinces and beyond.

Mr. Bjornerud: — Thank you, Mr. Chair. Mr. Minister, you never cease to amaze me. A new department seems to have sprung out with trade now. We have Intergovernmental Affairs, now we have a trade department within what I would call municipal government.

Mr. Minister, how long has this department been a part of municipal government? Is it something new or has it been there all the time and I just didn't realize that we did have a part of municipal government for that?

Hon. Mr. Osika: — Mr. Chairman, I thank the member for that question. Just to explain that with the amalgamation of Government Relations and Intergovernmental Affairs, the trade unit within Intergovernmental Affairs has been there since 1996. And it's based on and arranged in the same, virtually the same way, as the Alberta model for their unit involved in representations on internal and external trade relations and policies.

Mr. Bjornerud: — Well thank you, Mr. Minister. Well would that department not also be part of Intergovernmental Affairs then? Would there be a department of municipal . . . or Government Relations and then also Intergovernmental Affairs would have their own department? Do we have two, three, four, five departments that are dealing with trade?

Hon. Mr. Osika: — Mr. Chairman, the . . . in the reorganization of the various departments, what the effort and what the intent was, was to bring all government relations and intergovernmental affairs issues under one umbrella, if you wish. So Government Relations is the umbrella, if you wish, for a number of components: Municipal Affairs, which was previously Municipal Affairs and Housing; we also have the federal/provincial department, federal/provincial trade relations; we also have the trade and international relations.

These are all units, all components, within Government Relations. So anything and everything to do . . . And that includes Aboriginal Affairs. So anything and everything to do with other governments. For example, the municipalities, municipal governments, that is one level of government that deals with Government Relations. Provincial, interprovincial relationships, that is the other area. And international trade relations as well. That comes under this umbrella as well.

So it was an effort to combine units that were directly related to having administrative communiqués, communications, and intercommunication relationships with other governments in other provinces, in other countries, would all come under this one umbrella through a specific unit that was dealing in any of those particular areas, such as trade, trade relations, for example.

Mr. Bjornerud: — Thank you, Mr. Minister. I understand we don't have that many minutes left, and you . . . something you said here a minute ago, I've had concerns the last few days. You touched on amalgamation — I know you're going to wish you hadn't done this — but you brought it up, Mr. Minister, and I'm glad you did because I forgot to write it down.

I've had some calls in the last few days, and I don't know where this is coming from, Mr. Minister, and maybe you can

enlighten me. I hope it's not what I'm worried about. Some concerns out there that the amalgamation or forced amalgamation issue may be coming back to the forefront.

Now while you're still the Minister of Government Relations before I jump in — I'm sure I have the right department, Mr. Minister, so I'm afraid you're going to have to answer this — is there something new in the wind on amalgamation? Because as you know, I have grave concerns about when we talk forced amalgamation.

Hon. Mr. Osika: — Mr. Chairman, I can say to the member that that's not on the table. My discussions with any of the municipal leaders has revolved around the fact — and there are those municipalities and communities have been very appreciative — that the impediments have been removed from legislation to allow those municipalities, villages, hamlets, to annex or to carry out their restructuring of their own accord.

And I'm very pleased to say that there has been a fair amount of discussion in that respect because of the very evident benefits of pooling resources and combining efforts for one common objective for the community, for the greater community. So that is evolving as a matter of course in some areas, as a result of the municipalities' or villages' or hamlets' or towns' own initiatives, where they see some very positive benefits — financially and sharing of resources, again as I mentioned — but for the benefit of the community at large, where independence is not quite as easy to continue dealing with as it once was and not unlike many major corporations.

And we hear about it all the time — people join forces in order to meet the challenges that are facing us into the 21st century and beyond.

So it's not something that has been . . . has been given to municipalities as a mandate to carry out, but more of, how can we help you if you choose or if you care to go that route.

Mr. Bjornerud: — Well thank you, Mr. Minister, and that's exactly what I hoped to hear tonight. And I don't know what stirred this up again or where it came from, and as you know, sometimes rumours create rumours out there and things like that start. As you know, we were dead against forced amalgamation. I think you're well aware of that and other members on that side were, and we're still at that view.

But when it comes to helping villages and towns and rural municipalities out there by removing the impediments and things like that that you've done already, we commend you for that.

Any other way that you could assist communities, whether it's financially . . . I know we've talked to communities out there such as small villages that have water and sewer problems and RMs really don't want to take them on at this point because of the cost involved. And I think that's areas where if we would put our time and effort into how we could assist those communities to become part of the RMs, whether it is financially or whatever it is, I think you would find that we would support you all the way on that.

So I'm glad to hear that that concern is not on the table at this

point and as we are still very gun-shy of forced amalgamation.

(22:00)

So, Mr. Minister, I understand we're out of time for this. I want to thank your officials this evening. And I have a number of SAMA questions I'd like to ask you, Mr. Minister, but we'll have to get them at a later date. Thank you.

Hon. Mr. Osika: — I just want to conclude by thanking the members opposite for the questions that have come forward and the meaningful dialogue that we've had on issues that are important to people of the province. And I thank you for that.

Hon. Mr. Lautermilch: — Mr. Chairman, I move the committee report progress on Government Relations and that we move to Aboriginal Affairs.

Subvote (GR05)

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

Hon. Mr. Axworthy: — Thanks, Mr. Chair. Well in addition to Brent Cotter, the deputy minister on my right; and Wanda Lamberti just behind him, the executive director of finance, administration and information technology — who have been here for Minister Osika — Donavon Young to the right of the deputy minister, the acting assistant deputy minister of Aboriginal Affairs; and Glen Benedict, who until tomorrow will be the executive director of Indian land and resources. I'd ask the members to welcome them.

Mr. Allchurch: — Thank you, Mr. Chair. Mr. Minister, I was asking a question earlier regarding the minister for Government Relations and I was asked to ask the minister for IGA. So I'll put the question towards you.

It's regarding the land claim on a piece of land just north of Big River, put on by the Pelican Lake First Nations, and it is regarding the portion of municipal road going up through the land in question, and it's called the Carlton Trail road.

Now has there been any further discussion regarding that and where are we situated right now regarding the proposal?

Hon. Mr. Axworthy: — Mr. Chairman, in response to the member's question and the resolution of the Pelican Lake First Nation TLE (Treaty Land Entitlement) selection as it relates to the RM of Big River, the member will know there have been a number of meetings between many ministers and both the Pelican Lake First Nation and the RM of Big River reeve and council, that there have been many efforts to try to resolve this matter through mediation, and the province provided a mediator for that purpose.

The efforts of the mediator were not successful. And in spite of every effort to find a mediated solution, including meetings as late as January of this year and February of this year also, the government has decided to and has informed both the RM and Pelican Lake First Nation to transfer the trail by three-party agreements. The trail will attain reserve status. The RM of Big River has been advised by letter of the government's decision. And it's our view that the band's proposal to protect the

heritage of the trail through a band bylaw and the offer of a co-management agreement with the RM of Big River would serve to protect the trail and protect the interests of the RM of Big River and those who wish to use that trail.

The RM has chosen not to participate in seeking a co-management agreement. I would urge the RM to do so. I think it's in everybody's best interests that they do so. There is some concern on the part of the RM that the band bylaw is not sufficient to protect its interests, but I'd remind the member and the RM that band bylaws are binding as any other contractual situation would be. So that the resolution of this matter, in short, is to transfer the trail to reserve status and, as I say, we've urged the RM to work with the First Nation to find ways in which everyone in the region can make use of and have some role over the management of the trail and the surrounding area.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Chair. In regarding the letter that was sent to the RM regarding the RM working with the First Nations in regards to that, was it ever thought about by the government that maybe the First Nations may want to work with the RM because the road is the RM property in the first place?

Hon. Mr. Axworthy: — Well, I think in response to the member's concern here, this really isn't a road. I mean it's a trail which is for recreational purposes. It is of significance and I think it's important to try to find ways in which all interested parties can have a say over its use and also use it themselves.

There have been, I think, many efforts made to ensure that both parties work together to find a solution, and towards the end of these discussions the RM appeared not to meet with Pelican Lake First Nation over the co-management agreement. And without some kind of meeting it's going to be hard to find a resolution.

My hope is that as we look back in four or five years time this will all have been resolved and the First Nation and the RM will be able to live in the harmony they've lived in for many years. It's unfortunate that it hasn't been possible to find a way for both sides to find an accommodation here. But I would urge everyone to do so, and I'm sure that that will happen in due course.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Chair. I know the best way to solve this is with harmony on both sides. But I think the RM of Big River is somewhat snubbed for the fact that all this trail, as you have mentioned, is not actually a municipal road. The reason I know it is is for the simple reason that SARM's (Saskatchewan Association of Rural Municipalities) been involved with it and a portion of that trail is RM road. And therefore the RM of Big River feel that they have a jurisdiction right over that far more than any treaty will enhance that it's different.

Hon. Mr. Axworthy: — Well, once again, Mr. Chair, there isn't really a road. There's a trail. That trail actually belongs to the province, not to the RM, and so it's a legitimate selection for Pelican Lake to make. And the view of the province after finding . . . after exerting considerable efforts to try to find a solution is that this is the best we can do.

If the RM wants to have a say over the management of the trail, if the RM wants to participate in that, then they're fully welcome to do so. My understanding is that Chief Bill and the council of Pelican Lake is more than willing to work with the RM to find a solution to this issue, but to date the RM has not wanted to participate in that discussion.

And I would urge them to kind of put some faith into the process and sit down and work it out.

What we're trying to do, as the member will know, with treaty land entitlements is to redress some old wrongs and to provide First Nations who fall within the category of needing extra land to finally turn to reserve status is to ensure that the province plays its role in . . . along with the federal government, to meet these obligations. What we're asking in some instances, and this is one, is for neighbouring municipalities to participate in that process too.

There are many, many transfers of property to First Nations which go quite smoothly and which add to the First Nations land base and subsequently to their reserve base. And in doing so, once their shortfall has been attained, those bands then are eligible for significant economic development resources from the federal government which only serve the province and those neighbouring communities well.

This is money which is invested in our economy which is new to our economy and which, as you know if you . . . as the member will know in his neighbourhood and in others, has been put to significant use, and the economic development in many First Nations is quite striking. And the issue is to try to bring along as many First Nations as possible. Of course sometimes there are conflicts as is the case here.

But it's a little difficult to see how we can move forward in this province living in harmony together, First Nations and non-First Nations, unless we make some compromises and some concessions. We are not going to . . . we're not going to find a way to build this province together unless we do, unless we do that. Those are concessions both on the part of First Nations and on the part of neighbouring non-Aboriginal communities.

And in regards to Pelican Lake and Big River, we are asking both to come together to find a solution to this challenge. We think, and certainly Pelican Lake thinks — although Big River plainly doesn't — that a co-management deal can serve the best interests of all. And I think in most instances you'd be hard pressed to say that that wouldn't be the route to follow.

So if Big River has faith that the Pelican Lake Band resolution is enforceable, which it is, and if they want . . . if Big River wants to have a say in how to run the trail and how to administer it and how to provide access to it and how to protect it, then that is available to them. The alternative for Big River is really to not be part of the solution and to leave everything to Pelican Lake First Nation, which objectively is not in the best interests of Big River.

Now it's for the RM of Big River to make their decisions over these matters, but I think we could all see ways to form a satisfactory resolution of this issue here. And we'd urge both sides to do so.

Mr. Allchurch: — Well thank you, Mr. Minister, Mr. Chair. In regards to the Carlton Trail, I believe the Carlton Trail has quite a bit of that portion of road that is actually RM. I don't think it's just an ordinary trail.

Also the constituents from Big River that were disapproving of the fact that you were turning it over to the Pelican Lake First Nations in regards to an Indian claim, was the fact that that road is part of their heritage. Many, many people from the Big River area have utilized that road for years and years and years. In fact a lot of the members there actually built that road in the first place.

Now when I think . . . and that's why the Big River people are so against this order by the government to turn it over without their heritage rights being representative and that's what they call the third party rights, and they don't feel that they were represented properly. And now for the Big River people to now take a stand of working in co-operation with Pelican Lake to solve those problems, they don't feel that that's not the right way of doing it, even though I know many of the people from Big River and Pelican Lake First Nations work hand in hand in many operations up there. This whole idea of this Carlton Trail and being part of their heritage has been taken away from them, and their third party interests were not adhered to by the order in government by your government.

Hon. Mr. Axworthy: — Mr. Chair, on the member's second point, the province has no ability to transfer to a First Nation in a TLE selection any property which doesn't belong to the province. So the only . . . so what property is being transferred or what property will be transferred to Pelican Lake First Nation is property which is presently held by the province — not by the municipality, not by anyone else, just by the province.

And I should remind the member, and I'm sure the member knows this, that this is a trail which was used just before the turn of the century and probably a bit after, but now is essentially a road used for recreation . . . or a trail used for recreation, and parts of it by logging companies. So this is not a discernable and continuous road which the member I think is suggesting it is. But it is of historic value, as the member rightly states, to all people in that area, which makes it I think even more important that they all together find a solution to running it.

The member mentioned that Big River feels . . . the RM of Big River feels that this . . . that their interests have not been protected and that they don't feel this is the appropriate direction to follow. I think what the member is saying by that is that the RM of Big River doesn't want to work with the Pelican Lake First Nation. Well if they want to work with the Pelican Lake First Nation, that is available to them right now with the offer of a co-management deal and an offer of an enforceable bylaw.

So they can't have it both ways. They can either want to work together to find a solution or not. If they, as the member suggests, they do want to work together, then I wonder why they have not taken up the offer to negotiate a co-management agreement. I think from our meetings with them, they've not indicated a great desire to follow that route and certainly

they've not followed that route.

So if the member is right that they do want to work in co-operation, then I'd urge him to work with the RM of Big River to have them sit down with the Pelican Lake First Nation and in fact work out a co-management agreement whereby everybody's interests can be protected.

Mr. Allchurch: — Thank you, Mr. Minister. In regards to portions of land like this, is there any other situation in Saskatchewan where a TLE land has taken land in this similar fashion where an RM has felt they've had some interest and have not been adhered to?

Hon. Mr. Axworthy: — There are selections which of course . . . most of the selections are in rural Saskatchewan but some are in towns like Qu'Appelle, for example, and others are in cities like Saskatoon. And in those instances where they have been resolved, they've been resolved through discussion and negotiation with the appropriate municipalities, both . . . well in particular with regards to tax loss compensation and so on.

There are presently TLE discussions taking place where third parties don't feel that they've been fairly treated. That situation, and there are a number of them across the province, but in those situations the province's practice is to provide a mediator in an effort to find an amicable solution. So there have been, as the member will know, issues around outfitters who have an interest on a particular piece of land which is in the process of being transferred to a First Nation. And the First Nation and those outfitters negotiate a solution to the issue.

There are others where these discussions are continuing and haven't yet been resolved. But I think the fact that . . . The core issue here is that, where there are disagreements, the focus of the province is to try to find a solution. And I think the member can understand that you can only have those discussions carry on for so long and then a decision has to be made.

If the decision is made to suggest to the First Nation that they seek a selection elsewhere, then that decision plainly then is made in the interest of the, in this case, the RM. If on the other hand the First Nation's position is held to be a stronger one, then it's made in their best interests if you want, or on their behalf.

There is, once the mediation breaks down, no easy solution to this in terms of satisfying both sides.

So our efforts — and they are often very . . . take a very long time — are to find mediated solutions. And we have a number of those presently underway.

I should say with regards to the member's specific issue about Pelican Lake and Big River, that the Government of Canada also supports this transfer. So I really would urge the RM to find a way to sit down with the First Nation and come up with a co-management agreement, which I don't think would be very complicated.

Mr. Allchurch: — Thank you, Mr. Minister. You mentioned in one of your answers some time back about a letter that was sent to the RM and the town regarding the decision that was made.

Is it possible for me to get a copy of that letter from your department, if you don't mind, please?

And that's all I have for questions regarding the Big River/First Nations/Carlton Trail road, so I'll turn it over here to my colleague.

Hon. Mr. Axworthy: — Let me check with both Big River and Pelican Lake — the communication I had was with them — before I kind of quickly say I'd send the member a copy. I think he probably could get a copy of it from the RM of Big River. Perhaps he'd explore that route first, and if that doesn't work then we'll see what we can do.

Mr. Hart: — Thank you, Mr. Chair. Mr. Minister, just a couple of questions dealing with some general information with regards to the treaty land entitlement process. Under the process, a band is awarded a sum of money and some of it has to be, as I understand it, spent on land and that sort of thing.

If a band decides to select some provincial Crown land, what is the process of that land being transferred to the band? Is it the same as if they go out and buy privately owned land and it goes through all the various processes? And part of that question is, does the band pay the province? Is there a value put on that Crown land and do they then pay the province whatever that value is determined?

Hon. Mr. Axworthy: — Well generally in response to the member's question about provincial land being transferred if selected by a TLE band, that the whole process is based on a willing buyer, willing seller approach. So the province would then, with the band, negotiate a price for that piece of property.

There'd be some property that the province is not, for various reasons, willing to transfer and the member might know of some on the Churchill River which have been selected and which are of strategic importance to the province as well.

So sometimes the province will say that particular piece of property for whatever reason is not available. It might be, it might be for example close to a facility that the province operates and it may decide it needs expansion or something of that sort.

Then the question arises, are there third party interests on that land? We've just discussed outfitters. There are pasture lands which have been the subject of selections and then those who have used that pasture land over a period of time have interests which the province wishes to ensure are protected.

So again there would be a negotiation of the value of those third party interests too and we would provide mediators to help with that process if it doesn't move smoothly. And when agreed upon prices are arrived at, for say an outfitter's interest or a pasture co-op's interest, then those payments are made by the band. And once all of that is resolved then the land itself is transferred.

The vast majority of the land transferred is relatively straightforward.

Mr. Hart: — Thank you, Mr. Minister. So I understood you to

say that once the process is negotiated and so on, the band does pay the province for . . . once a price is agreed to, the band . . . there is a transfer of funds from the band to the province for this provincial Crown land.

And the part of the question . . . another question that I would have that pertains to this whole process is, is the process similar for specific land claims? Can a band select Crown land as part of that settlement and is that also, once the price is agreed to, is there a transfer of funds from the band to the Crown?

Hon. Mr. Axworthy: — With regards to specific land claims, these are claims which are made as a result of land which was improperly taken by the federal government sometime in the past. The member will be aware of a number of these situations across the province.

So it is a response . . . specific land claims are a response to land that was wrongfully taken in the past, and it is a matter of purely federal government responsibility which doesn't engage the province. Most of that land is land which becomes available on the market. It is purchased by the band and then that is paid for by the federal government.

Just in passing, the member will know also of the municipal tax issue and the response of the federal government to that to provide — and this is in TLE — 22.5 times the annual tax to assist the municipalities who lose that tax base as a result of the land falling into the hands of . . . well I guess that's not quite the right way . . . having been purchased by First Nations.

Mr. Hart: — Mr. Minister, you raise the issue of property taxes and the arrangement that has been made through the TLE and the specific land claims agreements and so on. But there is an issue that's an ongoing issue and it seems to . . . it hasn't been resolved, I guess. Part of the process when a band buys land, it's held in a holding company for a while until all the processes are complete before it's transferred in and finally becomes part of the reserve or becomes reserve status.

And in a number of occasions that are in my constituency and in other members' constituencies, there are bands that for one reason or another fail to live up to their municipal property tax responsibilities. And in fact I know of an instance where land was actually transferred to reserve status and there was municipal taxes still owing on that land.

And this is a major concern of a number of municipalities because some of these tax arrears can amount to a significant amount of dollars and most of . . . in fact all the RM councils that I have spoken to, they understand that there is a process and those sorts of things, but given the history that some land has been reverted or turned into reserve status with tax arrears, it does raise some concern on behalf of municipal councillors.

(20:30)

And the question that they have is that at the end of the day, failing all negotiations and if the process should break down and they are out a significant amount of money in the form of tax arrears, I guess what they are looking for is: will this . . . will your government assure these municipalities that they will not be left holding the bag if, as I had said, the process of

negotiation breaks down and the land has been transferred to reserve status and there are taxes owing?

And again, just to restate my question, Mr. Minister, will your government assure the municipalities that if, at the end of the day, if this situation becomes reality, will you stand with the municipalities and help and in fact provide them with those tax arrears?

Hon. Mr. Axworthy: — The member raises an important question to both First Nations and municipalities. I should point out that the federal government will not transfer to reserve status . . . that is, the federal government has the responsibility to transfer land to reserve status. They won't do so if there are tax arrears owing to municipalities on that land.

So if there are examples of . . . There is one example where that happened. But if the member has other examples of where that has happened, he should perhaps let us know and we can take it up with the federal government. But the federal government's position is that it will not transfer land which has been selected to reserve status unless municipal tax arrears have been paid.

Mr. Hart: — Mr. Minister, I understand . . . I have been told by members of RM council of the RM of Edenwold that in fact the situation has arisen where the Piapot Band had some land transferred to reserve status and there was some tax arrears on some of that land. Now I haven't checked with them recently to see whether those taxes have been . . . that money has been recouped by the RM or not, but there was some real concerns.

And because of that particular incident, there has been concerns in other municipalities that that may happen, even though there are safeguards in place. I don't know how it happened but I've been told that it did happen.

Hon. Mr. Axworthy: — Mr. Chair, the federal government informs us that the particular issue, the particular selection the member refers to did kind of fall through the cracks, and that they've assured us that that won't happen again. My understanding is that the First Nation in question is fully up to date with its taxes over that piece of land, although there was a period of time when that was not the case. So my understanding is the First Nation has paid those taxes and that the matter now is effectively resolved.

But if the member or his colleagues do come across any suggestions that this could happen again they should let us know. But the federal government assures us that they're keeping an eagle eye on these kinds of transfers.

Mr. Hart: — Well thank you, Mr. Minister, for that information. I'm sure that'll help alleviate some of the fears that some of the other municipalities may have.

I'd like to turn my comments and questions to another issue that arose this spring in my constituency again and in other members' constituencies. With the abnormally dry spring that we had there was a number of situations where fires got started on a reserve and then the fire moved out of the reserve and it destroyed property, whether it be fences or . . . I had a constituent phone me and was very concerned early one Saturday morning that a fire had come off of one of the reserves

and burnt, I believe it was, a half section of his pasture, and he said he really didn't know where to turn. And other constituents have talked to me about the situation of pasture fences being burnt.

They've gone to the band and they of course realize that the bands have many responsibilities and sometimes limited fiscal ability to look after some of the damages and those sorts of things. And they just wanted to be sure that both the provincial and federal government were aware of these situations and perhaps there is something that they could do to help mediate these disputes, because it certainly doesn't do anyone any good to have these disputes continue on over a long period of time. It doesn't do anything for harmony amongst the neighbours and that sort of thing. And I'm just wondering if you've had some time to ponder this situation and perhaps have you some answers for these people.

Hon. Mr. Axworthy: — Mr. Chair, the member raised this specific issue with me a little while ago and we have been looking into it. I don't think we have a response for him at the moment but we'll get one as soon as we can. Certainly this summer has brought to attention more of these issues. We've had a particularly dry summer. My guess is that there will also be some fires which have moved from RMs onto First Nations as well. Not always is there adequate equipment and personnel to deal with these fires on First Nations.

And one of the things that I think we have to do in order to ensure that we do live together in greater harmony is to ensure that we do have better arrangements for how these kinds of issues might be addressed. Certainly we're working in the area of wildlife conservation, First Nations with RMs, and in fact and the provincial government as well to try find a way which best suits that particular region and that particular direction.

I think more of that kind of working together to find solutions is not only useful, but it's certainly the kind of things we would advise First Nations to engage upon. I think if communities which are close together can find solutions that meets both their needs, then not only will we live more happily together but the economy and the recreation in the area will be better, will be better served as well.

And from my dealings with First Nations leaders, they are anxious to find those kinds of solutions, and also in our dealings with RMs and village and town mayors, the same; the desire to try to find solutions that work together — whether it be in education, wildlife conservation, fire, water, all the challenges that really affect large parts of the province.

So it's our wish and our urging that First Nations and surrounding communities work together to find solutions. It's I think understandable that many First Nations find it difficult to set aside the resources from, you know, incredibly compelling needs — human and other needs, hungry children as important as any — and transfer them to dealing with such things as fires.

But the member might also know that White Cap near Dundurn, or right next to Dundurn, in fact has a grass fire truck which it has used to assist Dundurn when it had its big fire last year. So there are examples of working together. There are examples of not so much and not so good working together. And I think it's

in all of our interests to try and find solutions to that.

On the member's specific point, as I say we're trying to find some kind of response which would move that matter along and we'll be in touch with him as soon as we can. And I apologize to him for the delay there.

Mr. Hart: — Thank you, Mr. Minister. I certainly agree that, you know, it's in everyone's best interest to find solutions to these problems. However some of my constituents are again kind of left holding the bag and, you know, they realize and I certainly realize that the First Nations leaderships have a great deal of responsibilities, and as I'd said earlier, certainly don't necessarily have the fiscal resources to address all these issues. And so if you're looking at providing health services or building your neighbour's fence that you happen to burn down, I guess you're going to put your dollars into the health services and so on.

I'd like to turn my attention to another area. If my memory serves me correctly, I think it was approximately February of 2001 when the former minister of Aboriginal Affairs was . . . spoke to an Aboriginal ag symposium in Fort Qu'Appelle and announced that the province was in . . . her department, in co-operation with the then Economic and Co-operative Development department were going to develop an Aboriginal economic development strategy. So that's been well over a year. Has that strategy been developed and if so, what are the details of that strategy?

Hon. Mr. Axworthy: — The member, Mr. Chair, touches on really what is the most — one of the two anyway — most crucial questions for how we as a province move forward. We plainly have the challenge on the social side with the First Nations and Métis people and we plainly have a challenge on the economic side. I'd see both of them as opportunities and ones we can truly take advantage of if we work together effectively, and if the province provides the kinds of supports necessary for, in response to the member's question, Aboriginal economic development. We talked briefly about TLEs and the impact that flows once shortfall acres have been met and the kinds of dollars that come in to that First Nation in the province in that regard. And there are enormous investment opportunities flowing from that and these are investment opportunities that the First Nation wants to invest in here in Saskatchewan. It's not a question of investing outside of the province. So in that sense it's a critically important aspect of our long-term economic development.

The partnership for progress, the most recent proposals for economic development from the Department of Economic Development . . . Economic and Co-operative Development, now the Department of Industry and Resources, includes a component for Aboriginal economic development. And I think the member can see some significant examples of the kinds of development that has taken place, certainly forestry the member will be aware of it, and the whole northern mining development strategy.

I might mention the Aboriginal economic employment development program, the Aboriginal Employment Development Program which recently received an award from the Saskatchewan Labour Force Development Board which has

been . . . which has had significant success in developing partnerships with employers, in particular in the health care field but elsewhere as well which has ensured about, well a few . . . more than 1,200 Aboriginal people working in the health care field and in other fields.

The process there, which makes it so important and makes it unique, is that the program works with employers to find . . . to identify with employers the kinds of job opportunities that might become available, for example people might be retiring or there might be a need for a specific new skill. And then as well as ensuring that the workplace is one which is welcoming to Aboriginal people — so there's some cultural development and awareness work which is done — then works with Aboriginal people and Aboriginal training institutions to ensure that there are qualified people to fill those jobs.

So it is not a question of anyone hiring somebody who is not qualified but is picked because of their particular ancestry. It is a situation which qualified people, who happen to be First Nations and Métis, apply for jobs and are chosen on the basis of their merit. And that as I say received an award from the Saskatchewan Labour Force Development Board. And that just as a recognition of its success.

Also the Métis and off-reserve First Nations strategy, which is the province's . . . one of the province's responses to the Royal Commission on Aboriginal Peoples — and indeed we're the only province that has responded in this way — is another significant part of Aboriginal employment development and economic development. And it is another program which has been recognized — this time nationally — and it is a finalist for a national Award for Innovative Management from the national Institute of Public Administration.

(20:45)

And this is . . . Both these awards, well we haven't quite yet got . . . we haven't quite won the Métis and off-reserve strategy award, but to be recognized as one of seven across the country in this field is a significant indication of the work done by Donavon Young, the assistant deputy minister, and people under him working with First Nations and Métis leaders in that off-reserve strategy.

So there's some exciting initiatives which have taken place. But all of this is part of a partnership of working together with First Nations and Métis people. As the member can imagine, and I'm sure would agree, it's not possible for us to decide here in Regina how economic development and employment opportunities might take place on a First Nation or in communities where First Nations live. It's our job and our ability to find ways to work with First Nations and Métis people for them to find the solutions themselves, and for us to work together in the long term for the economic development of the province.

As I say, Aboriginal people — especially that large, young, potential workforce — offer the province a significant challenge but also offer the province a huge opportunity. We often talk about people leaving the province. Aboriginal people in large measure do not leave the province, have a much greater attachment to the land than some other residents, consequently

want to stay here, and consequently are available for training and other opportunities.

And as we see people my age, but rather older than the member opposite's age, leaving the workforce, this cohort of potential new employees will enable us — if we do our work properly — to be the plumbers and the carpenters and the managers and the nurses and the physicians that will enable our society to continue to grow, and only coincidentally of course continue to provide the tax dollars to ensure that our health care system is sustainable and our pensions are paid.

Mr. Hart: — Mr. Minister, certainly all the things you spoke about as far as training and job creation and all those sorts of things for First Nations people are all great things and so on. You mentioned some of the things that are happening in mining and forestry, and I would suggest that all those things were in place prior to that announcement of February 2001.

And we just, earlier in our discussions, talked about the inability of bands to provide compensation for damages that occurred outside the reserves. We talked about the whole TLE and land . . . bands acquiring land under both the TLE and specific land claims. And in many instances some of this land is idle, and I think the bands are looking for some leadership. And I certainly agree with you. We certainly can't here in . . . government can't go to the band and say, look this is what we think is good for you and this is what you should be doing.

But I think there are a lot of ideas and a lot of initiatives that bands have and they really are looking for co-operation from the provincial government. And I don't see anything in what you said that would relate to this economic development strategy. You know a lot of the things you mentioned were already happening and I would suggest, Mr. Minister, that there is nothing been done as far as this economic development strategy.

And certainly we would . . . as I said, this announcement was made in February of 2001. You would think that's more than ample time to at least have a preliminary framework of this strategy so that the First Nation bands could say, well look, there is something here for us, that we can develop some of our unused resources to provide employment and to provide income for our people and for the bands themselves.

I can think of an opportunity that I'm sure a number of the bands in the Fort Qu'Appelle valley area would be very interested in looking at — ecotourism. The Fort Qu'Appelle valley is a . . . the Qu'Appelle Valley, I should say, is a great place to develop, you would think, ecotourism with all its natural attributes that it has.

I know the Piapot Band has quite a number of acres of farm land that they purchased recently, and perhaps with some assistance as far as management training and those sorts of things, perhaps some of our exotic livestock operations would be a natural fit that would fit with ecotourism and those sorts of things. And from your comments I haven't . . . don't see any of that, Mr. Minister. And I guess what a number of the bands are asking is, when will we be seeing some of this from your department?

Hon. Mr. Axworthy: — I might begin, Mr. Chair, by just . . . not to pass the buck here, but remind the member that the Department of Aboriginal Affairs is more of a facilitative department rather than a program delivery department. So we work with many other departments, including the Department of Industry and Resources when the minister responsible has his hearing aid turned on.

So we work . . . (inaudible interjection) . . . he must have it on. So we work with that department, with other departments too in other areas. I think, too, that if you take for example the Department of Agriculture, it would support the marketing of bison, and the member will know that many First Nations have bison farms. I was at Okanese just last week and they have a thriving small bison farm there and many new calves from their spring or winter/spring calving season.

So the various departments would also be facilitating the work of First Nations, as they would non-First Nations activities. I think this is a continuing operation. The member is right to point out that we haven't made as much progress as we would have liked to have made. That I think is patently clear. We still see the numbers of unemployment and lower attainment of . . . lower educational attainment levels and so on. Plainly we have a lot of work to do.

But I think we should rejoice in our achievements too, and I think a lot of things have happened that we perhaps don't remember or have put aside. But if the member would cast his mind to mining operations in the North, the numbers of northern and in particular Aboriginal employees in those operations, the number of contracts — catering, transportation and other contracts which have been won by First Nations and First Nations companies; the large . . . some of the very large First Nations corporations that exist, in particular transportation, West Wind Aviation now owned by . . . partly owned by PAGC (Prince Albert Grand Council) and Meadow Lake Tribal Council. But mining in the North I think a very good example of how, in fact again I mean there's nothing like it in Canada and I don't think much . . . The member from Cumberland reminds us that this is world-leading work in which we have found ways in partnership to ensure that many, many First Nations people work in the North.

Forestry with its challenges with the softwood lumber and so on, but a key element of economic activity for First Nations employment and economic development, and a major concerted partnership effort once again with forestry companies and First Nations and Métis peoples.

The member mentioned Qu'Appelle and he also mentioned Piapot and he mentioned ethanol and ecotourism. And there's, you know, within the context of those few words, there is ecotourism being developed with . . . and Piapot, there's ethanol with Treaty Four in that area too. There are many people working on pipelines.

I think the list goes on, but I would agree with the member that we do plainly have to do more when you consider the numbers of new, of young new entrants to the workforce. I think the number's something like 45,000 in the next five years or ten years. I mean not a very long period of time for a large, large cohort of new employees.

There is no doubt that this is not a time to relax, that this is a time to move forward with some urgency, both on the part of First Nations and the Government of Saskatchewan, and indeed also of course the Government of Canada, and the business community as a whole. And so there are many ways in which business, government, and First Nations and Métis people come together to search out ways for more and more economic development.

Finally I'd say — and I'm sure the member would agree with this, although one never knows — that dollars are not the sole answer to this problem. What's important is finding ways to work together and put the investment dollars we have available to us to good effect. That is what we try to do. We know we've got more to do in that regard but I look forward to the member's support in working in these areas. I think it is truly the key to the success of the province.

Mr. Hart: — Mr. Minister, I certainly agree with many of the things you stated. However that certainly didn't address the question in that many of the things you referred to were already happening and it's coincidental that . . . Or was it just a mere coincidence that this announcement was made at an Aboriginal ag symposium and that really there has been nothing done in that whole area?

As a matter of fact, just prior to coming into the Assembly here I did check your Web site under Aboriginal Economic Development Strategy. I'll read to you what it says on the Web site:

Saskatchewan Intergovernmental and Aboriginal Affairs and Saskatchewan Economic and Co-operative Development are in the process of developing an Aboriginal Economic Development Strategy for the province of Saskatchewan.

Now maybe I should have checked one of the other department Web sites to see if there's anything more to this. But I would suggest, Mr. Minister, that I won't find anything more than what I found on your department's Web site.

So I would suggest, Mr. Minister, that you work a little harder in this area; that there are bands that are out there waiting for this strategy. They've been asking for it. And I think you'd have to agree that we probably . . . there hasn't been a whole lot done in this area, Mr. Minister.

Hon. Mr. Axworthy: — Well, Mr. Chair, in response to the member, I would say you've got to work with what you've got. But just like neighbours and family, you know, you don't really choose your colleagues. But you got to work with what's there.

And I will take this matter up with my colleague, the member of Industry and Resources. This is a matter of serious importance to us and I think what I've indicated is a range of things we have done and the member should be aware that there are many more things in the pipeline, not just ethanol.

Mr. Allchurch: — Thank you, Mr. Chair. I just have one further question to the minister. Are the global questions for Intergovernmental Affairs available? Are the global estimates available for Intergovernmental Affairs?

But on that, Mr. Minister, I want to thank you and your officials for coming out tonight and answering these questions. Thank you.

Hon. Mr. Axworthy: — They'll be available shortly. As soon as we have them available we'll make them available.

(21:00)

Hon. Mr. Lautermilch: — Mr. Chairman, we would like to report progress on Aboriginal Affairs and move to the Provincial Secretary.

Subvote (GR03)

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

Hon. Ms. Crofford: — Thank you very much, Mr. Chair. To my left is the deputy minister of Government Relations and Aboriginal Affairs, Brent Cotter. To my right, Michael Jackson, executive director of protocol and Government House. And behind Mr. Cotter, Florent Bilodeau, director, office of French language coordination. And directly behind myself, Wanda Lamberti, executive director, finance, administration, and information technology.

Ms. Eagles: — Thank you, Mr. Chair. Madam Minister, I'd like to take this opportunity to thank you for agreeing to sit tonight to answer some questions that we have. And also I'd like to welcome and thank your officials for being here this evening.

I'm primarily going to focus on this *Celebrating Saskatchewan* book that was distributed earlier, and there are some things in it that I'd just like clarification on. And one of the first things is that I see where the government has set up a new Crown corporation and it's called the Saskatchewan centennial corporation. And I know in the past, over the history of the province, that we've had celebrations pretty well go off without a hitch and it hasn't been deemed necessary to set up a Crown corporation.

So I would like to know the reasoning behind setting up a Crown corporation and who is appointed to the head of this corporation.

Hon. Ms. Crofford: — This idea was put forward by the committee that worked on the early consultations, and it was a model that was used before. And what we have in place at the moment is the potential to have a centennial corporation but we've never actually set it up. And I think that we may in fact not do that. We may proceed with a different form of organization.

Ms. Eagles: — Could you expand on that, like what kind of an organization that you would be going with?

Hon. Ms. Crofford: — Well clearly the people that will be very involved in any of the efforts around the centennial will tend to be people who are already organized in the form of REDAs (regional economic development authority), arts councils, municipalities, etc.

So what my view as Tourism Saskatchewan is that it would be more directly beneficial to have those people at the table who are already organized to deliver activities, programs, infrastructure, etc., in their communities and in their regions, and have them directly at the table, as opposed to setting up a separate body. So it's really to connect the celebrations much more directly to people working at the ground level in communities and in these organizations.

Ms. Eagles: — Okay. Will these . . . Thank you, Madam Minister. Will these people be paid for their work or will this be on a volunteer basis, or will it just be included in their . . . added on to their job description now?

Hon. Ms. Crofford: — The idea that we really have for the centennial — because, as you know, in the current economic circumstances there isn't tonnes and tonnes of spare money — the idea is how we can create a focus, a momentum for people to decide to engage on some common ideas and to use some of their existing organizational capacity and budgets and resources to shape what they're doing leading up to and during the centennial year to be complementary to an overarching theme.

Now tomorrow a meeting will be held with representatives of these kinds of organizations. I'm talking about putting forward to them the question of what's the best way to organize ourselves to get this done. We don't have a preconceived notion of how this would happen other than we know that these are the people that must be involved.

And so we'll be meeting with them tomorrow to talk about how we can really use the opportunity of the centennial, not only to expand pride in our province but also to act as a springboard to the future by coalescing around a lot of the assets and resources that we already have and building on them sort of with a value-added concept of whether it's tourism, making sure that people take advantage of the tourism opportunities, the heritage opportunities, the arts and cultural opportunities, the special events like the games that'll be here in 2005, many of the communities that'll be celebrating their 100th year celebrations.

And I think we will be asking for some guidance from the communities where the money would best be spent — there obviously will be some money allocated to this — and where this money would best be spent, whether it's in linking activities, whether it's in promotional materials, whether it's in small funds or support persons to help with organizing some of the work around the centennial.

But I guess what I'm saying right now is we have received the report, the booklet you referred to from the advisory committee, and now we're going to put that to the groups that would have to actually be involved in implementing and see what they think about how we should move forward. And then I want to move very quickly after that because every day that goes by we lose the opportunity to do things that involve a lot of coordination across the province.

But it's certainly my vision that every part of the province — north, east, west, south, central — would all be involved in shaping how we celebrate this centennial and working very much from a community organization perspective in doing it.

Ms. Eagles: — Well thank you, Madam Minister. Mr. Chair, to the minister. When you said about spare money and the fact that there just isn't that much spare money kicking around, I was wondering how much money has been allocated to this celebration in 2005.

Hon. Ms. Crofford: — At the moment in actual fact that very question is under discussion. So if you were to ask me maybe a few days from now I could give you the answer. But right now we're in the process of discussing how we can set aside some funds over the next few years. But certainly what we're targeting for, or looking at, is building towards sort of in the range of 1 million per year in the lead-up and towards it.

Now there may need to be additional funds for infrastructure, some additional funds for special activities, but sort of the basic amount really required to keep moving forward on this would be in the ballpark of 1 million per year.

Ms. Eagles: — Thank you, Madam Minister. Now with these funds, will communities that are planning celebrations within them, will they be able to apply for a grant or something like that to assist them with their celebrations, or how is that going to work?

Hon. Ms. Crofford: — Again through the lotteries fund and also through the Community Initiatives Fund, we have funding criteria that exists throughout the lottery system that exists again throughout the Community Initiatives Fund criteria. And what we're hoping is that people will shape some of their criteria to match the objectives of the centennial, so that from year to year quite often in funding organization's themes change, priorities change.

And what we'd like to see is people embrace the centennial as a theme for that year or two years programming and funding. And so there will be some additional funds that there's been no decision yet on how to allocate them. Right now like I say, we're just having the first meeting tomorrow to bring the report that you've seen to the community groups that would be involved in actually implementing a centennial plan.

And I think we would want to discuss with them how they think money should be allocated, and through whom it should be allocated, and what the best use of that money is. Because there won't be a lot and people I think will have to make some decisions around whether they'd like to use some of that in promotional activities or whether they want to use it to hire organizers or to engage people to help them put on an event, whatever it is.

And so I'm not going to predetermine what will happen. But we believe there's a lot of resources out there already and what people need is a common focus to shape and direct the resources that will be spent during that lead-up year and the actual year of the centennial.

Just to share a little personal philosophy with you — I don't know if you care to share personal philosophy at 9:15 at night — but I don't think it's always necessary to add large amounts of money. I think it's possible to transform what you're doing to meet changing objectives. And so I really hope that people will use this as an opportunity to create a theme for their year's

organizational and spending priorities, rather than trying to layer it on top of something that's already there.

Ms. Eagles: — Thank you, Madam Minister. Well I think in life we've learned that sometimes you can spend a pile of money and you don't know where it's gone. And on the other hand, you can spend very little and end up having a function that's very, very successful.

In this report it also says that it is recommended that the province initiate the development of a corporate theme and logo. Now I was wondering, like who is responsible to do this? Is there some sort of a facilitator or is . . . as the Provincial Secretary, do you appoint a panel or a committee or someone to administer this?

Hon. Ms. Crofford: — During the early phase of the discussions, people were asked to submit, both publicly and firms that are involved in this kind of work were asked to submit ideas. And so what we'll do is we'll bring all the work that was done there forward to the groups that we're meeting with tomorrow, once they have their deliberations.

And again, I'd like to move very quickly to choose that theme and logo. But a lot of the groundwork has already been done in terms of the ideas have been brought forward and they're on hand for people to look at them and see which ones they think best reflect what kind of a mood we want to create around the centennial.

Ms. Eagles: — Thank you, Madam Minister. In recommendation no. 4 it says that to involve and assist Saskatchewan communities. How involved does the government want to be in this? Is it involvement money-wise or is it a criteria that communities are going to have to follow in order to qualify for grants? Is there certain rules and regulations that they have to abide by in order to qualify for some money? Could you just expand on that please?

(21:15)

Hon. Ms. Crofford: — I guess I'll start on the assumption that there will be money available. I see the community organizations being very involved in constructing, helping construct the criteria. I don't see myself being involved in those specific funding decisions. I see the organizations to whom we now have delegated some of that authority, whether it's the lotteries, the Sask Sport, the Sask Parks, the culture . . . Sask Culture, etc., the multicultural councils. These folks already have a structure in place.

So once we agree to some criteria that we're comfortable with, that they think will work, that will make the best use of the resources, then I suspect that the actual delivery of monies won't come directly from government; it'll come through the bodies that make decisions about who gets money in the community.

Ms. Eagles: — Thank you. I see in recommendation no. 5, it's also recommended that the province encourage and assist, where possible, Saskatchewan-based culture, arts, sports and recreation organizations and groups to bring special events and conferences to Saskatchewan during the centennial year. Could

you tell us what major, major projects that your department hopes to develop for that?

Hon. Ms. Crofford: — There's a few ways that we've gotten ourselves in the loop on that. Now one of the reasons why the centennial activity was transferred to Culture, Youth and Recreation was because of our close involvement in compatible activities.

And in order to further that, both myself . . . I've become a member of the bid committee for Regina, whose whole purpose is to look at how we attract conferences and events to the city and the province. We've also hooked up with the bid committee from Saskatoon that does similar things. Of course, as you know, they're bidding for the University Games right now.

As well, the deputy of our department is working closely with Tourism Saskatchewan, with Tourism Regina. So really it's those working relationships that are going to provide the foundation for attracting the conferences, attracting the activities. And we already have a fair lineup for that summer of activities that are happening in the province that are of a national flavour. And as this gets mobilized and people know that's one of the objectives then all of the organizations can be involved.

For example, there is an Aboriginal art co-op in Regina and they're having a large Aboriginal artists gathering of people from across Canada. So that's the kind of event that would fit in very well.

And people have suggested perhaps a youth festival would be a good idea if we could . . . the federal government is interested in working together with us on this, and if we can find things that bring together federal and provincial objectives. Alberta is celebrating at the same time; if we could find ways to find some collaborative efforts between Alberta and Saskatchewan. These are all ideas that are in the mix right now.

But I'm feeling the pressure myself to get to a decision point on some of these things fairly quickly because there's been about three years of consultation and chat and what not. And I think it's really time to decide on the theme, decide on the logo, and move forward. But I think I would be a very foolhardy minister if I did this without the involvement of the groups whose energies, volunteers, and activities will be needed to make it happen.

Ms. Eagles: — Thank you, Madam Minister. I think it's very important if we can get like a few drawing cards to bring people from other provinces here. And I mean it would certainly help our economy too to get some out-of-province people here spending money.

You had mentioned that working together with the feds. And I'm just wondering are they willing to put any money in to help us financially or is it just basically as far as program coordination or something like that?

Hon. Ms. Crofford: — The dance of funding that goes on between provincial and federal governments is always an ongoing negotiation. But I think if we're able, along with Alberta, to come up with the right ideas the federal government

will I think be looking at something that reflects the province's relationship to Canada, and will be mutually reinforcing of our respective responsibilities. So active discussions are taking place. No decisions are made yet. But certainly they've indicated an interest, and a few meetings have been held at the officials' level. Nobody has signed a cheque yet, but we believe that if we work together and come up with the right ideas . . . I mean, I think there's some of the ideas in that booklet there. And I don't know if they're the right ideas, but someone has suggested maybe a border park between Alberta and Saskatchewan that you put a little extra effort into having it be a gateway between the two provinces.

You know, who knows what the ideas will be ultimately but people are certainly starting to think about them and work on ideas that would be acceptable and that would leave a lasting legacy.

Ms. Eagles: — Thank you, Madam Minister. I see in here also that it is recommended that the province encourage and support the development of a significant centennial legacy project. And I was just wondering what you had in mind for this — something that is to be of national and international significance. I was wondering what you were leaning towards in that direction and what the approximate cost would be of something like that?

Hon. Ms. Crofford: — Well you know it's interesting. The legacies quite often of events or centennial celebrations are quite often tangibles, like infrastructure. But you know, I think it's worth thinking about intangibles too. And they mention one or two in the booklet that are the building of economic relationships, the . . . increasing people's involvement in community, people's physical well-being. There's many kinds of legacies we can think about as we use the opportunity of the centennial to set a goal for ourselves.

And there's no question that infrastructure is always a popular one. But I think we can have some tourism legacies out of this. I think we can have some training legacies out of this. I think we can use it as an opportunity to organize some of the assets we have out there and add more value to what we're getting from those investments.

Ms. Eagles: — So there's . . .

The Deputy Chair: — Order. Order. Order. I'd ask the members . . . Order. Order. I'd ask the members that are not involved in the question and answer period to please keep their conversations to a reasonable level. It's getting a little difficult to hear — to hear the members who are supposed to be answering and asking questions.

Ms. Eagles: — Thank you, Mr. Chair. Thank you, Madam Minister. I guess I was thinking of something more visible, not . . . I was just wondering if there was some sort of . . . something tangible that we're going to see as far as something that we can see to commemorate our 100th birthday? Was there . . . I don't even know what I could suggest, but if you had anything in mind for how we were going to . . . some monument or something that would show that we were . . . something that, you know, our children and our grandchildren could see as far as . . . that we're 100 years old.

Hon. Ms. Crofford: — I think there may be a variety of things. Some of it would be works of art, whether they're murals or statues or monuments. Some of it may be signage on historic properties that will increase the heritage information that people have through that kind of vehicle. We've got a bunch of sort of outdated and incomplete historic monuments around the province that could use some work.

Certainly we have had the Centenary Fund over the last few years that's been directed to capital in five areas: health, education, municipal infrastructure, arts and culture. And so we have already had some of that kind of work going on with that nice little surplus we had the budget before which enabled us to put the Centenary Fund together so people could do some of the infrastructure work that they wanted to do.

And I do think there will be some infrastructure resources allocated in addition to the Centenary Fund that's already been allocated. But at this point, I don't want to pre-empt what the communities will say about that because I think we have two issues in the province. One is preserving what we already have and the other one is adding new stuff. And you don't want to let your stuff that you've already established crumble because you're busy adding new stuff all the time. You also want to make sure that the stuff that's already there is well looked after, and some of that would be heritage sites that need . . . there would be the possibility of adding some new heritage sites, of refurbishing some of the things that are a little bit down at the heels.

So I think this is a discussion again we'd want to undertake with the people who do that work because there is a very extensive heritage community in the province that looks after all the various little museums and everything we see all over the place, the very excellent work that's been done to preserve villages that have been assembled of historic buildings, etc. And we want to make sure that those things remain viable and that we don't sacrifice them necessarily to something new. So we'll work our way through that with the organizations that deal with heritage, that deal with municipal infrastructure.

But again, you know I'm a little more optimistic — as probably you are — since the rain's been falling that we'll see a little bit of improvement in available cash. But certainly infrastructure will always be a priority for these kinds of legacy projects. And we'd certainly welcome your ideas on what you think those priorities should be.

Ms. Eagles: — Yes, the rain usually does cheer everyone up, but we've had about 10 inches in the last week so . . . But again you hate to turn the tap off because it may not get started again.

I was glad you brought up about refurbishing existing facilities and things like that because I do see and hear that it is a recommendation that the province provide communities with significant opportunities to construct new facilities or refurbish existing facilities. And it seems a little like right now a lot of the communities are struggling to keep their existing buildings open with the utility costs and things like that. And I'm just wondering what your thoughts are on that and how much input the government will have on that.

Hon. Ms. Crofford: — Again I'm going to rely very much on

the advice of the folks that do this kind of work all the time, and that is going to require that discussions with the community that I'm referring to will . . . (inaudible) . . . be taking place tomorrow and subsequently. Because I wouldn't want to presume to know how people feel we should prioritize capital out in the communities around the province. I would prefer to get direction from them in how that should be done.

And once we have an idea of priorities we may be able to get innovative about how we cost share with the federal government on some of these things, how our Crowns might participate in some of that activity, and how small and medium-size businesses in the province may be able to participate.

But first of all we need to have a clear idea of what priorities people have in the communities.

Ms. Draude: — Thank you, Mr. Chair. Madam Minister, and to your officials, welcome. I have a couple of questions on the protocol office and I understand or I realize there's \$454,000 a year is spent on that office and I know every year there's probably a different number of dignitaries come and a different number of functions, so I guess it's more of an estimate. But does there appear to be the same number of opportunities to have visiting dignitaries come?

(21:30)

Hon. Ms. Crofford: — Maybe I'll just start with a quick description of the overview of the work the protocol office does. The protocol office plans, organizes, and supervises visits of foreign diplomats, heads of state, and foreign delegations. They oversee state ceremonial and symbols, organize special events and anniversaries, and provide protocol consulting services and policy and organization of provincial honours and awards programs, and as well responsible for the Legislative building art collection and government gift policy.

And I'll just now talk about the protocol activities. It looks like ambassadorial visits have stayed roughly the same over the years at about eight to eleven per year. Consular, corps, and other diplomats, that seems to have been relatively constant at around eight. Canadian diplomats, that's a skinnier group there at about one in most of the years. Delegations and groups runs between six and ten per year. Heads of state, royal visits, that's run around one or two per year. Individuals, around three per year.

Official functions, state occasions, and events is around the . . . I'll just average it out at ten here, it ranges from eight to eleven. Seminars and consulting, about one per year. And then there's request for flags, there's loans, there's the gift work that's done for protocol.

There's about forty significant visits and function events that require significant activity by the office to be involved in organizing and implementing.

Ms. Draude: — Thank you, Madam Minister. The visit from Prince Charles went off very smoothly as far as most of us understand and could see, and I'm sure it was something that most people will consider memorable. Can you give us an idea

of what the cost was? And was all the cost borne by the province or was there some costs that were actually covered by security federally or by his own staff with him?

Hon. Ms. Crofford: — The royal visit was cost-shared with the federal government and for the Prince of Wales the event came in, Mr. Jackson points out, under budget. Our portion was \$225,000 which included the booklet that was produced. And the RCMP (Royal Canadian Mounted Police), it's part of their regular duties to attend to security on these types of visits so those services were provided by the RCMP and were not billed to us.

Ms. Draude: — Madam Minister, I would expect that \$225,000 being just about half of your total budget is probably higher than most of the other visits, so does this mean that there is going to be . . . you'll go over budget this year?

Hon. Ms. Crofford: — I'm going to have to apologize because I was listening to a correction on the previous answer.

In a bit of discussion here, it was recollected to be 130,000. And if you would be so kind as to repeat your question then I'll attempt another answer there.

Ms. Draude: — Thank you, Madam Minister. Before when you had indicated it was going to be \$225,000, that was nearly half the budget of the Protocol department so now it's about a quarter of it. And I would still think it would probably be more money than one visit from another group of people. So is this meaning that this area of your office will be over budget this year?

Hon. Ms. Crofford: — You show an instinct for budgets here because you're right. We were over budget last year with that visit but we don't anticipate expenditure at that level this year. Obviously a royal visit is an exceptional kind of circumstance and costs more, so that would be accurate.

Hon. Mr. Lautermilch: — Mr. Chairman, I move the committee report progress on the Provincial Secretary and that we move to Saskatchewan . . . SPMC (Saskatchewan Property Management Corporation).

General Revenue Fund

Saskatchewan Property Management Corporation

Vote 53

Subvote (SP01)

The Deputy Chair: — Ask the minister to introduce his officials.

Hon. Mr. Thomson: — Thank you very much, Mr. Deputy Chair. Tonight I am joined by the president of SPMC, Ray Clayton, who is seated to my right. Next to him is Paul Radigan, the director of financial services. To my left is Garth Rusconi, who is the vice-president of accommodation services. Behind me is Phil Lambert, the vice-president and chief information officer. And behind Ray is Debbie Koshman, the vice-president of corporate services. Behind the bar tonight we have Rob Madden, who is the director of air services.

Mr. Huyghebaert: — Thank you, Mr. Deputy Speaker. Welcome to the officials this evening and to the minister. I guess my first question quite simple is the globals, Mr. Minister. Would the globals be available and ready for SPMC?

Hon. Mr. Thomson: — Mr. Deputy Chair, I'm told that the globals are in their near final phase and it will be ready in due course.

Mr. Huyghebaert: — Thank you, Mr. Minister. Mr. Minister, my first set of questions is going to be dealing with the aircraft and airplanes. And I guess the very first question that I'd like to ask is how many aircraft that we have that are government . . . registered to the government, the numbers? And I would actually like a breakdown between the exec air and the water bomber fleet.

Hon. Mr. Thomson: — I would like to thank the member for the question. I should start by saying that the water bombers are actually in the Department of Environment, so they are not under SPMC. There are one, two, three, four aircraft which are registered for use by the executive air service and four that are registered for use by air ambulance.

Mr. Huyghebaert: — Well thank you, Mr. Minister. Last year, I believe it was last year, maybe it was bought the previous year, was a new aircraft to replace I think it was a Cheyenne — you can correct me if I'm wrong on this — but it was to replace an aircraft.

And I'd like to know the status of the aircraft that the new Beech, I believe it was, was going to replace, and where that aircraft is or if it's been disposed of?

Hon. Mr. Thomson: — Mr. Chairman, the Cheyenne, the one Cheyenne, has been taken out of service and a new King Air 200 was brought in to service this year.

Mr. Huyghebaert: — Thank you, Mr. Minister. Can you give me the status of the Cheyenne? You say it's taken out of service, but to my knowledge it is still . . . has been operating. Is it currently not operating now, and has it been sold, or what is the disposal, projected disposal of the aircraft?

Hon. Mr. Thomson: — The Cheyenne is not in service. We are going to retain it though to use it for parts to deal with the other Cheyenne's that we do still have in service.

Mr. Huyghebaert: — Mr. Minister, out of the four for exec and four air ambulance, that does not include that particular Cheyenne; is that correct?

Hon. Mr. Thomson: — It does include that Cheyenne as it is still registered with us, but it is not in service.

Mr. Huyghebaert: — Thank you, Mr. Minister. We now know that the government has leased a new aircraft. I might have a couple of questions about the lease. But the understanding was, was the new King Air — or it wasn't a brand new one — was to replace another, I believe, Cheyenne. If that is correct, what is the status of the Cheyenne it was to replace?

Hon. Mr. Thomson: — Mr. Chairman, this is the Cheyenne I

was speaking of earlier, that we've taken out of service. This leased aircraft, this King Air 200, it will be taking the place of that. So we will have effectively the King Air 350 in service, the King Air 200 in service, and we will have a different Cheyenne which will be used for back-up.

Mr. Huyghebaert: — If I understand correctly, Mr. Minister, last year we got a King Air to replace a Cheyenne, this year we got a King Air to replace a Cheyenne, but only one has left service.

Hon. Mr. Thomson: — I think I have a better understanding as to what the member has asked me. The King Air 200 that was brought into service last year was for air ambulance's fleet. And so these two fleets are kept separate. The air ambulance one, with the four aircraft in it. We have in the exec air service four registered aircraft, although only three are in use.

Mr. Huyghebaert: — Mr. Minister, with the leased aircraft, the King Air 200, I understand it's leased from CIC (Crown Investments Corporation of Saskatchewan); is that correct? It was purchased through a growth fund and leased to CIC and the government is leasing it from CIC; is that correct?

Hon. Mr. Thomson: — That is not correct.

Mr. Huyghebaert: — Can the minister tell us what is correct?

Hon. Mr. Thomson: — The aircraft is leased from Cajon Leasing.

(21:45)

Mr. Huyghebaert: — Mr. Deputy Speaker, can the minister explain the status of the lease with respect to spares? And I specifically am interested in the leasing arrangement whereby if an engine is damaged or has to be replaced, does that come under the general cost of the lease or is that absorbed by the government through the leasing arrangement?

Hon. Mr. Thomson: — We are responsible for the maintenance costs.

Mr. Huyghebaert: — Thank you, Mr. Minister. Now if the government is responsible for maintenance costs, can the minister explain if we have life cycle spares somehow arranged for this aircraft?

Hon. Mr. Thomson: — Mr. Deputy Chair, although this is a used aircraft there is still warranty on the engines. I'm told that they have a 2,500-hour warranty on them and there are approximately 1,200 hours of usage.

Mr. Huyghebaert: — Well, thank you. I just used the engines as an example. There's an awful lot of other components to the aircraft other than engines. My question was the life cycle spares.

Hon. Mr. Thomson: — That's the extent of it.

Mr. Huyghebaert: — Mr. Deputy Chair, I didn't hear the answer. I don't know what the minister said.

Hon. Mr. Thomson: — There's no provision outside of the engines. We are responsible for the maintenance otherwise.

Mr. Huyghebaert: — Thank you, Mr. Minister. I think that's just another example on the leasing program, because I'm very familiar with the cost of life cycle spares and if it's not arranged in a leasing program or a buy-out program it gets extremely expensive when parts have to be retooled for an aircraft. It's definitely a consideration that should be looked at in the buying, purchase or leasing of an aircraft, and it's quite possibly going to stick the taxpayers with a whole pile of money in the future if there's a problem with such things as the propellers or other than the engines of the aircraft.

Mr. Minister, I would like to ask . . . and it's going to be a fairly difficult question. I don't know if you'd have the answer available with your officials tonight, but I would like to, I'd like to find out what the exec air cost per mile is with an exact breakdown as to what the costs includes. For an example, does it include hangarage? Is hangarage based in the cost? And I think I'll just leave it with that for a moment because I have some follow ones to that.

Hon. Mr. Thomson: — Mr. Deputy Chairman, the cost per mile is \$4.45. That includes the following costs in terms of direct costs: pilot salary and benefits; engineer salary and benefits; training, licences and insurance; various miscellaneous items as well as variable expenses like fuel and oil, materials and parts, landing fees, travel and sustenance, in-flight expenses, pilots' overtime, and engineers' overtime. There is an additional allocated administrative maintenance cost which is factored in.

That does not include the hangarage because the buildings are already depreciated and as such there is no cost.

Mr. Huyghebaert: — Thank you, Mr. Minister, and may I have a copy of that, if you would please. And also I understand that if hangarage costs are not included it basically gives an unfair cost per mile, because if somebody was to start up a company they definitely have to pay hangarage costs. Whether the cost is paid for the hangar already or not it still needs to be included in a cost per mile because it is.

And could you also, if hangarage is not a cost, how about utilities?

Hon. Mr. Thomson: — Mr. Deputy Chair, utilities are included in this cost. I want to say in terms of the hangarage though, if the hangar's already been depreciated, that there would be no cost, be that for, in this particular case SPMC's operations, or that of a private company.

Mr. Huyghebaert: — Well, Mr. Minister, if the hangar is not costing anything, what about the opportunity cost? If it wasn't being used by the airplanes, could it be rented out? How much would it be rented out for? So there is a cost. Because if it's for nothing, why can't I go use it for nothing, for an example, and it's not. So there has to be a cost factored into it because at some point it could be . . . I mean it could be rented if it was not used by SPMC for the aircraft that we have. So just saying it's paid for, doesn't cost anything, is not a fair assessment of what it costs per mile to run the whole fleet.

So I think the aircraft . . . if you did not have the aircraft there, you'd be renting out the space or selling the hangar. And I don't believe you could stand there or sit there and say that the hangar is worth nothing. So therefore there has to be a cost factor figured in when you're looking at a cost per mile.

But I'll give you another additional one that I would like an answer on. Can you confirm that the government does not pay the tax on aircraft fuel?

Hon. Mr. Thomson: — Mr. Deputy Chair, we would be exempt on the GST (goods and services tax) but we would pay the PST (provincial sales tax) on fuel.

And just for the record, I think that this argument about the hangarage and what the depreciation cost is, once a building is depreciated, it's depreciated. You wouldn't take into account opportunity cost. You wouldn't double the count for this.

Mr. Huyghebaert: — Well I would beg to differ with that. But back to the fuel costs, if you're paying . . . you're not paying the PST, but you're paying the GST, is that what you had said? The other way around? And what is the cost per litre?

Hon. Mr. Thomson: — The cost per litre is 62 cents. We have undertaken a tender to acquire it and it does vary in terms of cost.

Mr. Huyghebaert: — Thank you, Mr. Minister. And just back to the hangarage one: if you're suggesting that it doesn't have any influence at all, it's paid off, does that mean that SPMC does not charge rent for any other building that's paid off?

Hon. Mr. Thomson: — I think I went through this last time we appeared in estimates. We do charge the operating costs as rent. And so this is the way that the cost is fixed, in terms of SPMC-owned property.

Mr. Huyghebaert: — Mr. Minister, is the total cost of the air fleet subsidized by other departments?

Hon. Mr. Thomson: — I don't completely understand the question, but as I understand it, the answer would be no, there is no subsidy from other departments.

Mr. Huyghebaert: — Thank you, Mr. Minister. I will pursue that one at a later time.

Mr. Minister, can you give the budget and number of flying hours flown for last year?

Hon. Mr. Thomson: — I do not have the breakdown by hour, but I can tell the member last year in 2001-2002 the service flew 361,408 miles.

Mr. Huyghebaert: — The cost?

Hon. Mr. Thomson: — And cost was \$1.654 million.

Mr. Huyghebaert: — Mr. Minister, I have a couple of questions on the air ambulance operation now. And from the information you've given me, we have two different types of air ambulance; I believe the King Air series and I'm not sure about

the other. You've listed four as air ambulance and I was under the impression that there was two.

So I guess the first question would be the aircraft that are under the air ambulance configuration, what four would be . . . I think you said the 350 and the 200, but I'm not sure if those are the ones you gave me. Can you give me the aircraft that are actually the air ambulance aircraft?

Hon. Mr. Thomson: — Mr. Deputy Chair, there are two Cheyenne and two King Air 200 models. We have been attempting to move into a standardized fleet with these King Air 200s as they seem to be well suited for our needs, and moving out of the Cheyennes.

Mr. Huyghebaert: — Mr. Minister, can you give me the runway requirements for the King Airs?

Hon. Mr. Thomson: — Roughly 2,500 feet.

Mr. Huyghebaert: — And, Mr. Minister, there is a lot of variables in this obviously. One of the reasons for this question, I'm led to understand that with the King Airs that there's an awful lot of smaller fields that have been taken out of the opportunity for King Airs to land when they're in a fully-loaded condition, i.e., picking up a passenger or a patient with a full load.

Can you confirm that 2,500 feet is the operable runway length for fully loaded aircraft in Saskatchewan?

(22:00)

Hon. Mr. Thomson: — Yes I can, obviously depending on temperature, altitude, and the other variables.

Mr. Huyghebaert: — Thank you, Mr. Minister. Another question that I have that was brought to my attention was the scheduling for air ambulances. And we know people don't get sick at between 8 to 5, but I understand that the schedule for personnel is based on Monday to Friday at 8 to 5. Could you confirm that?

Hon. Mr. Thomson: — That's not accurate.

Mr. Huyghebaert: — Thank you, Mr. Minister. And just while I'm on . . . discussing about personnel, can you confirm that one pilot is all that is required for any of the exec air flights, and including air ambulance?

Hon. Mr. Thomson: — Legally that is the requirement. Obviously it's a minimum requirement. On the 350 we do often use two pilots.

Mr. Huyghebaert: — Is it correct, Mr. Minister, that when the government is going to charter, the rare occasions that it may charter outside, that the government has put a restriction that any charter company must have two pilots on the aircraft if they're going to charter outside of exec air?

Hon. Mr. Thomson: — That is inaccurate.

Mr. Huyghebaert: — Thank you, Mr. Minister. I'll confirm

my source on that because that's the information that I have been given. And so we'll follow that one up for sure.

And can you tell me how many AMEs (aircraft maintenance engineer) that we have in exec air per aircraft?

Hon. Mr. Thomson: — There are three in Saskatoon and three in Regina.

Mr. Huyghebaert: — And confirm that's three per aircraft in Saskatoon and three per . . . two per aircraft in Regina.

Hon. Mr. Thomson: — . . . six in total.

Mr. Huyghebaert: — Again my question, Mr. Minister, was: how many AMEs per aircraft?

Hon. Mr. Thomson: — The answer is one.

Mr. Huyghebaert: — Mr. Minister, my next question is: you may not have this figure right at your fingertips, but I'm interested in how many maintenance hours are required per flight hour?

Hon. Mr. Thomson: — For the Cheyennes we are averaging about two hours of maintenance per flight hour, but for the new King Air 200s we're at about three-quarters of an hour.

Mr. Huyghebaert: — Thank you, Mr. Minister. Mr. Minister, I would like, if I could get from you, an organizational chart of your exec flight, if you could get a copy of that to me. I wouldn't expect that you would have it here this evening, but if you could get a copy of your organizational chart for the exec flight I would appreciate it.

And that brings to my next question, and I understand it's in the organization of . . . operations manager. And my question . . . my question that was put to me by an individual is: does the operations manager retain his or her ATR (Airline Transport Rating)?

Hon. Mr. Thomson: — The answer is yes.

Mr. Huyghebaert: — And my final questions on this part for now is the . . . we discussed hangarage in Regina, but hangarage in Saskatoon and office spaces in Saskatoon. And it is my understanding, and correct me if I'm wrong, that it's not an SPMC facility in Saskatoon. So if it's not an SPMC facility and if it's not already paid for, and all of the stuff that you talked about earlier on, how much does it cost for hangarage space and offices in Saskatoon? And in fact is there a separate dispatcher for Saskatoon operation?

Hon. Mr. Thomson: — The cost of the lease in Saskatoon is 135,000 a year, and the dispatch is undertaken by a Saskatoon ambulance company called MD Ambulance.

I should also, while I'm on my feet, Mr. Chairman, send over to the member the globals that he had asked for earlier. I guess they'd been provided to your House Leader last week, but I could provide you with a copy now.

Mr. Huyghebaert: — Thank you, Mr. Minister. If my

colleague had them, he didn't let us know; so we have a copy for sure now.

Mr. Minister, I want to switch . . . it's going to be just one question away from the aircraft side of it and it's going to the sound stage, and the way I'm looking at what's happening. And I've got a number of questions that I have with respect to the sound stage.

But the way I understand the set-up is part of the sound stage operation comes under SPMC, part of the sound stage operation comes under Youth, Culture, Recreation, part of it comes under CIC.

And my question for you is . . . for the minister is, is what part of the sound stage operation comes under SPMC?

Hon. Mr. Thomson: — The facility management is under SPMC.

Mr. Huyghebaert: — Thank you, Mr. Minister. So I'll have a number of questions, but I know my colleague would like in now as the evening is going on. But I take it, from facility management would include all of the leasing, all of the contractual work, if we have contracts signed and that all comes under SPMC. I'd just like that confirmed because I know in previous estimates it's always well that's not my department it's somebody else's. And so I want to get it straight what comes under your department before I start asking the questions.

Hon. Mr. Thomson: — Contracts related to the base operation of the building are SPMC; contracts around production would be Sask Film which would be best addressed to the Minister of Culture and Youth.

Ms. Draude: — Thank you, Mr. Deputy Chair, to Mr. Minister and your officials.

I have a number of questions, Mr. Minister, and I'm going to start with probably the question that most people are wondering is what is the total value of the assets that are owned by SPMC?

Hon. Mr. Thomson: — According to the annual report the real estate is valued at \$347 million.

Ms. Draude: — Mr. Minister, what is owing against it?

Hon. Mr. Thomson: — This year's debt is about five and a half million dollars.

Ms. Draude: — This year's debt, meaning total debt?

Hon. Mr. Thomson: — Yes, total long-term debt.

Ms. Draude: — Mr. Minister, I would . . . The values that we're talking about and just listening to my colleague from Wood River, you had indicated that the hanger really doesn't have any value because it's been depreciated. How many other buildings or assets do we have that are totally depreciated?

Hon. Mr. Thomson: — We don't have that tonight but we can endeavour to provide you with that.

Ms. Draude: — Mr. Minister, from the information that you had given us from globals, you indicated there's 1,071 employees or personnel under SPMC. And when I go through the information I see that's there over 300 employees actually . . . a turnover of 300 employees last year. That's practically one-third of your staff.

If this was a business and you'd lost one-third of your staff every year you'd be in big trouble. Can you tell me why you feel that this is . . . (inaudible) . . . rate of turnover of people working your department?

Hon. Mr. Thomson: — A large number of those are casual employees, so as they find permanent full-time work they will often leave SPMC and take that. Certainly in terms of the type of personnel we're dealing with it would be largely cleaning staff. We may not see that here in the legislative building, it's a very stable group of employees here in terms of . . . there's very little turnover. But that's not the case in other buildings. So that would be why the number would be quite large.

Ms. Draude: — Mr. Minister, when I was looking through the list of people that had actually left your department I see that there was three of them were actually given a severance package and a fairly substantial severance package. One was 152,000, was 103,000, and one was 51,000. Can you tell me why these three people were given that type of severance?

(22:15)

Hon. Mr. Thomson: — These three employees that the member opposite mentions were laid off and the packages, the severance packages, were negotiated within a common industry practice.

Ms. Draude: — Mr. Minister, up to the budget day, March 26, the staff was employed by SPMC and now I understand they're employed by the Department of Corrections and Public Safety. Can you explain that?

Hon. Mr. Thomson: — In terms of my staff, as the Minister of Corrections and Public Safety, it is the lead agency and takes responsibility for the minister's office.

Ms. Draude: — So, Mr. Minister, then before, when there was a minister just in charge of SPMC, that's why he was . . . they were employed directly by that department; is that correct? So they were employed directly by that department when there was a minister just in charge of SPMC?

Hon. Mr. Thomson: — That's correct.

Ms. Draude: — Mr. Minister, was there any travel out of province by any of your staff last year?

Hon. Mr. Thomson: — Yes, there was out-of-province travel undertaken by departmental staff last year.

An Hon. Member: — Pardon me, I can't hear you.

Hon. Mr. Thomson: — There was out-of-province travel undertaken by departmental staff last year.

Ms. Draude: — Can you tell me how many dollars were involved?

Hon. Mr. Thomson: — \$124,200.

Ms. Draude: — Mr. Minister, a few minutes ago I asked you what the total debt was for SPMC and you'd indicated it was \$5.5 million. Coincidentally, the member from Wood River tells me that's the exact amount of money that was going to be borrowed for the sound stage. Is this the only money that is owed by SPMC?

Hon. Mr. Thomson: — That's correct. And I want to say, while I have the opportunity, that I appreciate the support that that particular member has shown for the sound stage in terms of her call last year for us to construct it. And I think it has proven to be a very sound decision.

Ms. Draude: — Mr. Minister, I know from written questions that grants in lieu of taxes is something that SPMC is involved in. Can you tell me how much money is paid for grants in lieu of taxes?

Hon. Mr. Thomson: — SPMC does not make the payments to the municipalities. Those payments are moved through the Department of Government Relations.

Ms. Draude: — Mr. Minister, does SPMC pay taxes to any group in the province anywhere, to cities, or any of the villages, towns?

Hon. Mr. Thomson: — No.

Mr. D'Autremont: — Thank you, Mr. Chairman. My question for the minister relates to the Legislative Building. There has been a fair amount of construction and operating going on in this building over the last three or four years, five years. There was a five-year program put in place.

One of the areas of the Legislative Building that has missed out on the improvements has been the fourth floor. I know that there has been some proposals put forward for that space to be utilized for different opportunities. I'm wondering what SPMC is doing with the fourth floor right now, what kind of dollars are being spent on that area, and what is the long-term proposals that SPMC has for that fourth floor space?

Hon. Mr. Thomson: — I think, as the member knows, there have been various proposals made as to what we might want to use the fourth floor for. At this point there are no plans to develop it because the costs are deemed to be too expensive.

Mr. D'Autremont: — Is there any work happening up there on the fourth floor? I know that there was talk of taking the elevators up to the fourth floor because there was work being done on the elevators in the building; also of putting in a proper staircase going up to that area. As well as has any work been done up in that area dealing with the fire prevention, the sprinkler systems, and with surveillance of any possible fires, any fire detector equipment going into that area?

Hon. Mr. Thomson: — I'm not aware of any work being done on the fire suppression unit there, and there is no work planned

at this point to take the elevators up or fix the stairwell.

Mr. D'Autremont: — Mr. Minister, did you say that the fire suppression and surveillance is up in that area or not? The minister shakes his head — I could hear it from here.

Mr. Minister, why would we put fire suppression and detection throughout this building and yet leave a portion of the building unprotected? Surely if we're going to protect the entire building with fire suppression and detection, you would want to protect the entire building, because if a fire starts in one area it can spread to the rest.

And if it's in an area where it has an opportunity to grow beyond the point where our fire suppression sprinklers would handle that situation, I think it would be important to have that suppression in that area, also to have detection in that area so that fire couldn't spread beyond that point and could be dealt with in that very limited space.

Hon. Mr. Thomson: — I'm advised by the officials that they believe there's a low fire risk there as most of the hot air seems to come from this room, so I think we're relatively safe on that. This room is certainly well looked after. So I appreciate the question. We can look into the question of the fire suppression.

And at this point I would move that we rise, report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 22:27.