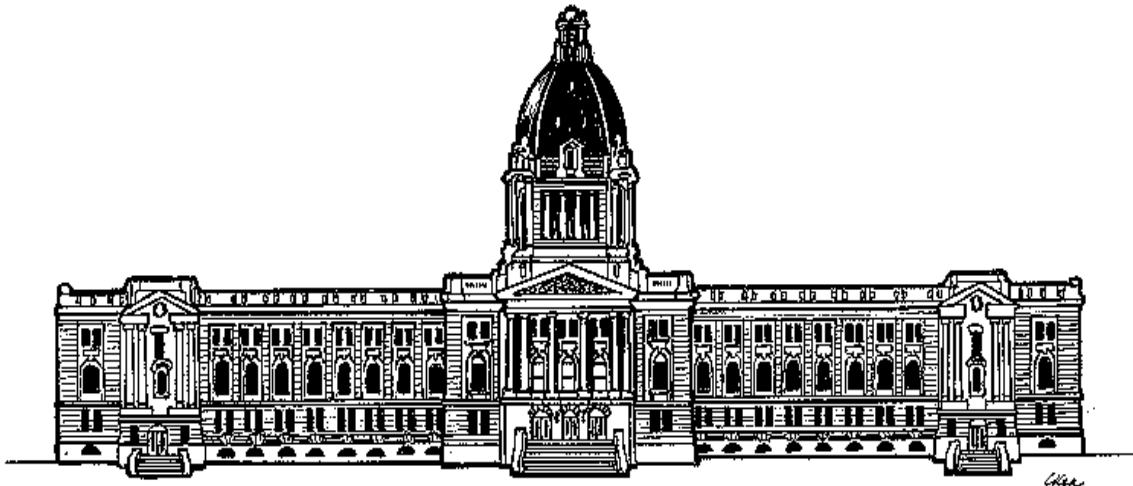




# **STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE**

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**Legislative Assembly of Saskatchewan**

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**STANDING COMMITTEE ON INTERGOVERNMENTAL  
AFFAIRS AND INFRASTRUCTURE  
2005**

Mr. Ron Harper, Chair  
Regina Northeast

Ms. June Draude, Deputy Chair  
Kelvington-Wadena

Mr. Denis Allchurch  
Rosthern-Shellbrook

Mr. D.F. (Yogi) Huyghebaert  
Wood River

Ms. Sandra Morin  
Regina Walsh Acres

Hon. Maynard Sonntag  
Meadow Lake

Mr. Kim Trew  
Regina Coronation Park

[The committee met at 16:00.]

**The Chair:** — Okay, I'll call to order the Standing Committee on Intergovernmental Affairs and Infrastructure. We have a couple of chits this afternoon. We have Ms. Higgins for Mr. Sonntag and Mr. Brkich for Mr. Huyghebaert.

**General Revenue Fund  
Rural Development  
Vote 43**

**Subvote (RD01)**

**The Chair:** — I recognize the minister . . . We have before us the consideration of estimates for Rural Development. I recognize the minister and ask the minister to introduce his officials.

**Hon. Mr. Serby:** — Mr. Chair, I have with me today, to my immediate left, Dr. Louise Greenberg who's the deputy minister of my new department. And to her left is Ms. Deb Harrison who's the director of program development and support. To my direct right is Mr. John Keeler who is the director of investment programs. And in the Sergeant-at-Arms chair is Mr. Al Syhlonyk who is the director of policy and planning . . .

**A Member:** — Keeping order.

**Hon. Mr. Serby:** — Keeping order. Those are the officials, Mr. Chair, that are with me today.

**The Chair:** — Thank you Mr. Minister. Mr. Minister, if you have an opening statement we'll entertain that now.

**Hon. Mr. Serby:** — I will. Thank you, Mr. Chair, and to members of the committee, to say that this is my first occasion to be at a committee meeting. I had not had the privilege last year of sitting in a committee. And I had an opportunity to watch the work of the committee, and certainly view this as a far more productive and efficient way of doing business in the House. And I want to say first and foremost that I'm privileged today to have the opportunity to be here with members of my department.

In relationship to this department, which has just been structured as of April 1, there are a number of things that we're hoping to achieve over the life of its work. One is that we have always viewed the need to have a department that addresses itself to the immediate needs of rural Saskatchewan. Given the importance of rural communities, given the importance of a rural economy, we have always believed that there was a need for us to spend a great deal more time and energy in directing our efforts towards building a stronger Saskatchewan rural economy.

It would be fair to say that in Saskatchewan today we have tried to build an economy based on, sort of, six key sectors: the oil and gas, the mining, the manufacturing, the forestry, the tourism, and ag value. And when you look at the successes of the province today in terms of the growth sectors of our economy, you'll find that the top four have been extremely successful — the oil and gas, the mining, the manufacturing, the

forestry in our province.

The other two . . . Tourism, which has made a significant impact in the economy of our province, continues to I think do good work, but will continue to need the kinds of supports that it has in Industry and Resources where it's situated today. On the ag value side there has been lots of development in the province. I think there's something like 295 businesses today in rural Saskatchewan that do a variety of different value-add. But from the larger perspective of what we do in agricultural value development, we think there's lots more that can be done. And we think it's here that our new department can really assist in making a difference.

And so it's here where we're hoping to take the work that's been done by ACRE [Action Committee on the Rural Economy] over the last four years. You know that they delivered to this Assembly and to the people of Saskatchewan about a year and a half ago a series of recommendations. And then we assigned a new role for them, in terms of putting together a new aggressive strategy in terms of how we build the rural economy, asked them to do work on the four key areas of business development, employment, infrastructure, and Crown lands.

And they have completed their work and soon will be reporting their work to me and to my department, and we'll be making it available to the members of the Assembly in a way in which we think would be helpful to all of us in better understanding the direction that needs to be taken in making a difference in rural Saskatchewan.

So today the new department that I have responsibility for will work very closely with a variety of different other departments. We'll use the structure of the department of the past, Rural Revitalization. We'll bring to our new department the REDAs [regional economic development authority], or we've brought to our new department the REDAs, the co-ops, the Small Business Loans Association. And from that perspective we'll begin to do some, in my view, good work around the delivery of programs and services in the province. And we'll continue to use the policy side of our department to work with a policy group like ACRE, we think a redefined ACRE going forward.

And so that is the sort of the intention of what we intend to do, how we develop our strategies going forward. We'd be happy to share and discuss.

I have said, Mr. Chair, to other folks who have asked me about this department, I've had the pleasure of serving this government and have a budget . . . When I was the minister of Health, it was about \$2.3 billion. Today I have a department of our government that has a budget of \$6 million. And I said to our REDA folks, just recently when we met, that my objective will be to try and grow the strength of this department to that of the Department of Health.

So we have some to go, but we think it's that important in the structure of our Saskatchewan economy, and look forward to working with Saskatchewan people, particularly rural, and making a difference for the future of our Saskatchewan economy.

I'll stop there, Mr. Chair.

**The Chair:** — Thank you, Mr. Minister. Mr. Brkich.

**Mr. Brkich:** — Thank you, Mr. Chairman. I want to welcome the officials today and the member from Yorkton. I missed you last year in committee work, and greatly look forward to always debating you in committee. And I'm glad that you're back here and heading up a department.

With that, there is this particular department . . . I can remember I guess when Rural Revitalization was announced — a lot of fanfare. It was going to do the same things that you are talking about now. In fact I think the member from Nutana sat in that chair and almost said the same things, had roughly the same budget, and we kind of know where that went.

I look at the news releases both from the Rural Revitalization and also on the new department news release that you had. I see a lot of similarities. I see a mandate that is essentially the same. So I guess my first question is to why the focus, why the change, why not have just kept it with Rural Revitalization, kept going with what you were doing? Or even starting out to carry on because before that there was a feeling that really that there wasn't much done under that department. But why not just wrap up that department? And why the name change? Why the new fanfare, the new news releases, a mandate that essentially the same except for maybe two, three different wordings? That's my first question to the minister.

**Hon. Mr. Serby:** — Well, Mr. Chair, I'd be happy to try and respond to the member. When we set up the Department of Rural Revitalization initially and then moved it under the purview of the Department of Agriculture and Food as a joint operating department, our sense was that we could spend a fair bit of time in looking at how we could in fact grow the rural economy by using the rural revitalization branch of that, of our . . . or the Rural Revitalization department as the tool to do that.

What happened with Rural Revitalization initially is that it really became a policy branch. And its job was to do an examination, as you know, of what the Saskatchewan climate — particularly rural — was all about. And so the work of Rural Revitalization primarily addressed itself to the work of which ACRE was undertaking, which was the policy side.

And it's from there that you saw the 185 recommendations. It's from there that you now get the new 35 recommendations that are coming. But we had no capacity really to do any . . . [inaudible] . . . work because we didn't have any direct staff on the ground, in the field to do the kind of work that we needed to do because they were all policy people.

To suggest that rural development is only agriculture, in my view, would be false because we have a whole host of different industries in rural Saskatchewan today. And many are agricultural based, but they're not necessarily driven by the agricultural community from which they derive themselves.

And so our interest in setting up the new department, which has today a series of staff attached to it . . . these are not new positions that have been created to create the department. These are positions that have come from other different branches of

government, primarily Industry and Resources and those from Rural Revitalization, giving us now a team on the ground that can work with communities and can work with established organizations to help build a stronger rural economy. That's what's different about this department.

What's different about this department is that we actually now have a team of men and women who can help us do the actual delivery, oversee some of the actual delivery, assist and direct intervention. If it's requiring policy changes, if it's requiring regulatory changes, if it's requiring financial assistance, if it's requiring contact with different organizations, we actually now have a team of men and women who can help us do that.

And that's the difference about this office of Rural Development versus the Rural Revitalization one, where we now have those people responsible for the operations within our branch. Under Rural Revitalization, we were primarily, I would suggest to you, a policy-driven department.

**Mr. Brkich:** — Thank you, Mr. Minister. News release that you did on Rural Revitalization didn't really emphasize that. It more talked about that you would be doing the same thing that Rural Development had. I don't know when it shifted, and it may have shifted after the news release came out in. And I'm looking at the date here; I think it was March 30, 2001. Because the people in Saskatchewan, they thought that that, what you're talking about now, they thought that was the job of the . . . Rural Revitalization was going to work with the people out there, consult with them, and make effective changes out there.

So when this new department came out, to be honest with you, I was in the constituency. I think I was up in Wynyard when the announcement came out. I was handing out some medals, centenarians' medals. And the feeling out there was that this department wasn't going to do anything more than the other one did, that they thought that they'd been kind of betrayed.

So that's the feeling out there in rural Saskatchewan. I don't know; maybe your constituency is a little different. But I can tell you in my constituency and the ones surrounding it that I've talked to, there is that feeling. There's also maybe a bit of hope that this one will work to do something to revitalize rural Saskatchewan.

So with that, I would ask a question about the ACRE report. I know it was supposed to be announced that it was coming out March, the end of March, early April. Now I understand it's been pushed back to, I think their news . . . on their website says May, middle of May now, I understand. Do you know why it was pushed back, and do you know the date that it will be released?

**Hon. Mr. Serby:** — Just a couple of comments first before I get to the ACRE comment because I hate for people to — who are watching this and I know that there are many who are riveted to their television sets right now and paying attention to this debate — but to leave the comment that rural Saskatchewan people would feel as though they've been betrayed by the change in the two departments, I wouldn't share that view.

And I wouldn't share that view not only for my own department, for my own area of the province, but I get to rural

Saskatchewan a great deal and travel it as extensively and probably more so than most of you do. And so to make the comment that rural Saskatchewan people would be betrayed by this particular shift, I would suggest would be a bit of a stretch. Now I agree with what you say when you say that I think rural people are of the notion that this would be a department that will provide some additional hope to some of their issues. And I think that's true because that's exactly what we intend to do.

Our intent is to look at a variety of different avenues and ways in which we can grow the rural economy, which is not just agriculture. And part of the problem with the office of Rural Revitalization — and when I had both responsibilities, as Mr. Wartman would tell you as he had them for a while — is that the Department of Agriculture takes all of your time, especially when you have three years of drought. You have a frost. You have BSE [bovine spongiform encephalopathy]. You have a major financial package for Canadian farmers that you're working on in the notion of CAIS [Canadian agricultural income stabilization] and crop insurance. And you can have your own view about what they look like today, but the truth is that they take a ton of time.

And in reality, the office of Rural Revitalization was cheated where it was. And I say that to you kindly. I say it to myself kindly because I was the minister . . . did not have the kind of capacity to be able to do the work that it needs to help drive a stronger rural economy from the government's perspective. And so that's partly why we've separated out of Agriculture, made it free-standing. It was the recommendation of the ACRE committee. One of the first recommendations that came to us in the one ninety-five or the one eighty-five was that you should take this department and you should separate it out so it's free-standing, so that it can do its work for rural Saskatchewan not tied to a very large, busy department, heavy department like Agriculture.

And so that's why we have the structure today. And my sense is that going forward you'll see some fairly progressive things in terms of what this new department is able to achieve. We have this Assembly that will hold us accountable for that. Plus we have the ACRE committee that will hold us accountable for that. These are men and women who make recommendations, that expect that there's going to be, that there's going to be a delivery on the kinds of things they tell us they should do. And to date, we've been fairly successful in being able to achieve that.

Now where do we go with ACRE, given the time table of which we suggested? You would see our report. You know that this last series of recommendations which are before, which will be coming before us now, created a fairly significant stir. At least some of them did in the province because they had recommended some things that were controversial to say the least. And I attended all of the meetings — well, all but one of the meetings — across rural Saskatchewan with the committee, and some of them were very heated. And the debates and the exchange were very heated. And so the committee was of the view that when they came back to start to look at what the final report should look like, it should in fact reflect what they heard from rural Saskatchewan people. And as a result of that, there's been some delay in the preparation of that final report.

My sense, and my officials say to me that we should see this probably within the next few weeks here, within the next week or two we should see their final report. And then we should have a document that will be ready for this Assembly probably in the early part of May. And my hope, if we can make it work, that that document would be presented in a similar fashion as the last one was, where members of this committee can have an opportunity to discuss the findings of the committee in this Assembly.

**Mr. Brkich:** — Do you, Mr. Minister, getting back to your last point that was my next question. When it was presented, if we would . . . I remember when it was done, and that's the way I feel it should be done again, where the committee comes in and they can field questions on it. So I'm hoping that that is done this time the same way.

I was at the meeting in Swift Current when they were there, and you were right. It was very contentious. Mainly the one point was on developing economic regions. I mean that was . . . The mike that's all . . . pretty near everybody got up to and they were lined up for that one. So I guess, when I see that's being held up for a length of time, I'm wondering is the committee itself . . . and I'm having trouble pulling that out. Because they were, the guy that was . . . that was his subcommittee. He was fairly . . . [inaudible] . . . or he was fairly certain or strong in his views that he should stay.

So I'm wondering what your particular view on it, if it isn't pulled. If that comes in where it says, developing an economic region, just money to go to a certain centre and the rest of the centres, tough luck. You're on your own; we're just going to pick some winners and losers. Can you give me your department's view on that particular recommendation if it was to come forward?

**Hon. Mr. Serby:** — Well thanks for the question. My sense is that the recommendations that will come, you will see a removal or we will see a removal of the controversial recommendation which was that you should make or have in a regional centre, a centre of excellence because I think that's where the controversy was.

The controversy was that you would pick a community that would be within a region and that that community would then become the centre of excellence. And people objected to that in a significant way. And I think what the subcommittee was looking at initially is that where you have centres like a Swift Current, where you have a hub, and then you have lots of spoke communities around. There is an easier case to be made. But that would be the centre of activity because that's where many of the services are really concentrated around. Or you might look at a North Battleford or a Lloydminster or maybe even a Yorkton where that kind of a model has some capacity to work.

It does not work in areas of the province like the Kindersleys, Rosetowns, Unitys, and Wilkie because all of those communities have what they would consider themselves as being centres of excellence in those areas. And it doesn't work very well in areas of the province like the Nipawins, Tisdales, and the Melforts because each of those individual communities have a great deal of strength and a great deal of capacity to do economic growth and development. And they attract a lot of

consumer activity to their communities.

And so I think as they travelled the province, they found very quickly that that notion that you would have one centre that would be identified as sort of the regional core wouldn't work. And they've pulled that out. And I think the Chair of the committee, after some conversations or discussions with the full body of the committee, have decided to pull that recommendation out.

My sense is that we'll still see a recommendation that will provide us with the notion that there should be greater regional participation, that communities and regions should be working far more collectively to not only deliver but to create greater relationships, working relationships, to provide services, which is not unlike what's happened in other areas today when you take a look at health regions.

You might look at REDAs because they do that kind of work. I think regional departments of government work in regional sectors. Clearing the path from SARM [Saskatchewan Association of Rural Municipalities] is probably the next best example of where they're now talking about four or five municipalities coming together. Those municipalities would work collectively in developing a range of services for a particular region.

So I think the recommendation, Mr. Member, that will be coming to us will likely say that the regional structure should remain intact, but you should not be picking winners or losers in the notion of which communities are the centres of excellence. I think that's what we'll see.

**Mr. Brkich:** — Thank you, Mr. Minister. Yes, you'd mentioned a lot of the bigger hubs, but I think a lot of the concern was, you start getting in my constituency where there's towns all similar, the same size. He was talking about a pretty big hurry-up. And basically if you didn't fall under the 1,000, I think, working people in a town, which has got to be anywhere from population of 2,500 and up roughly, and that takes just about every town out of my constituency. In fact it does. Wynyard is my biggest one, and they're maybe 21, 2,200 population. There was some big concerns with their mayors. But also concerned about towns like Craik, taking away their per capita money, just directing it to one centre.

And maybe you're right. Maybe he wasn't explained right in the recommendations, but he defended it pretty good. And I'll tell you what. He had a lot of towns worried. I had a busload come up to Swift Current for that, just from my constituency, and that's a two-hour drive. They were that concerned with that particular recommendation on that because . . .

And you've talked about RM [rural municipality] sharing services. We've always did that. And it's always been on a voluntary basis. Any time you want to force things, it just doesn't seem to work — whether it's trying to force RMs, school divisions. Maybe in the long run it might turn out all right, but I know that there has been a lot of opposition to it and also a lot of controversy and still a lot of trouble out there yet. As the elections are coming up, and I stated here before, I don't have any trustees yet that have stepped forward. They feel it's too big. They may not even be trustees to run in some of these

elections.

But getting to that particular recommendation, I'm hoping that . . . and I'll be looking forward to see it, and that's another reason why I would like that committee in here at that end of it, coming in, in May, to debate that, the issue, and also because there is lots of issues out there.

I know that another recommendation was made in the first ACRE report that said opening land sales to people outside Canada. And I guess my question is to you, have you been promoting people to emigrate here from England or Holland, different European countries? Will you have a kind of a promotion criteria that you're going to be setting out to let them know that there's opportunities here for them? And also, do you think that having . . . that they have to move here first before they can actually buy a business or land may deter some of them from not coming here?

**Hon. Mr. Serby:** — I just want to answer the first question first as it relates to . . . so that when the committee, if they were to arrive here, the member would have a full appreciation of what the two recommendations are. One of the recommendations is that, and I'll just quote it here, that:

ACRE recommends that the government promote and support a regional approach to infrastructure development.

So the notion about regional approach is still, is in there, I think will come in the recommendation. And the second one that they talk about is that:

ACRE recommends that the provincial government, in conjunction with the private sector, develop a provincial economic development strategy and a supportive rural infrastructure strategy, [that ensures] . . . a high level of coordination and cooperation among and within provincial government departments and crown corporations for the implementation of these strategies.

So I think those are the two recommendations that we're going to see when they arrive. So the other one that you have concern about has now been removed, I think, from the debate.

In relationship to the work that's being done on trying to recruit more people from other parts of the world to come and live in Saskatchewan, we have today in the office of Minister Atkinson, in the Immigration office strategic work is being undertaken to bring additional people to our province. There are, as you will appreciate, a criteria that are established by our federal friends, our federal government about who it is that can come here, what kinds of work they can undertake, and for what periods of time they can stay, depending on what it is that they're capable of staying within the country to do. So those criterias are fairly fixed.

When you asked the question about land ownership or people migrating here and maybe just investing, you'll know that in this province we had a committee that travelled the province, had an all-party committee that travelled the province, had a very extensive debate with Saskatchewan people and made a recommendation back to this Assembly, an all-party recommendation, about what we do with land ownership in

Saskatchewan. This government accepted the recommendation that came to us. I believe that recommendation was of unanimous support; I stand to be corrected on it, but we can review it. I believe that our current Chair of this committee chaired that committee as well across the province.

And there was, as I say, an all-party committee that was responsible for the final recommendations. And this is a very difficult area as you can appreciate.

My sense would be, as I expect yours would be, that we wouldn't have any trouble selling Saskatchewan if we chose to do it. We could probably sell Saskatchewan in 10 minutes. I can tell you that in my work in other parts of the world when I've travelled — particularly to Asian parts of the world — if there was no restriction on where you lived, we would have people who would buy this province in minutes if you chose to have it happen.

And I can tell you that your neighbour who farms next to you, I met in the elevators of those communities when I travelled it when this debate was on. And I can tell you that young Saskatchewan farmers today — and I would classify you as being one of those, maybe even me — would say to you and to me that they would want both of us to be very cautious about who we sell our Saskatchewan land to.

And that was one of the recommendations that was made by the committee. And so we are who we are today because that was a recommendation that came to us from the committee.

**Mr. Brkich:** — Thank you, Mr. Minister. Before that committee went out, you were also closed to all residents of Canada except Saskatchewan at one time, and that was changed since I was here. And if you talked to the average guy on the street, a lot of them didn't even want that open.

Has there been any . . . I can remember people coming to the committee. And I don't remember travelling around, maybe I missed that. I can remember having some meetings downstairs over it and people making submissions. And the ones that did, it was always Alberta's going to come here and buy up all of Saskatchewan and basically it'll be gone in a couple of years.

So I'll ask you, have you noticed a big change since the law, from Canadian residents being . . . to come here to buy in Saskatchewan, was that fear that people, that some people expressed in submissions — in written and oral submissions — to that committee, was that realized?

**Hon. Mr. Serby:** — I may stand to be corrected about whether or not the committee travelled the province. They may not have. They might have only had hearings here. You may be absolutely right about that and I'd certainly stand to be corrected on that.

But I can tell you that the changes have been, in my view, have been positive. They were the right decisions that were made at the end of the day. The recommendations were right. And it was a very difficult debate, I know, on both sides of the Assembly because this is not about a political issue, about whether you're NDP [New Democratic Party], or whether you're Conservative, or whether you're a Liberal in this province. The truth is, is that

it doesn't follow party lines. And that's the kind of debate that we had. And I think that the recommendations that were made by the all-party committee went as far as people were prepared to take them. And have they been beneficial? Absolutely they've been beneficial.

I can tell you that in my part of the world we have seen a huge increase of people who have come and purchased land around our area; the majority of those people have come from Alberta. Many of them have come from other parts of Europe. They have increased the value of our land which is helpful, I might say, to people in our region.

We had a function in the community of Yorkton about three years ago recognizing people who have moved here from other parts of Canada and Europe. And I think there were 62 families that were living within a radius of 90 miles of the city of Yorkton who had come from various different parts of the world — the majority having come from Alberta. And those decisions for them to come were primarily based on the changes this Assembly made through the work of the all-party committee.

**The Chair:** — Ms. Draude.

**Ms. Draude:** — Mr. Minister, and to your officials, I welcome the opportunity to ask you just a couple of questions. I was interested to hear you speaking to my colleague about your department and the mission at the moment. And it sounded to me like it was mostly involving the economy, which is of course the basis of where we are. But at the same time rural Saskatchewan is looking for an advocate for rural Saskatchewan — whether it's agriculture, or economic development, or health care, or municipalities. And to have the Deputy Premier as that person should be seen as an asset.

And the frustration from many small towns and villages and individuals is that so much of the work that they have to have done is interdepartmental. And to try and get the ear of four or five ministers at the same time is impossible, unless we're sitting in the House. And I see that as . . . And I've been promoting that as what perhaps your office can do.

I have had one request which I brought to you, and at the time it seemed like it was something you thought maybe your department could work at. And just for the information of our viewing audience, I talked to you about a housing project that the town of Kelvington was looking at. And in order to do it they would need support from Sask Housing; and it seemed that there was some support there. But they were told that Sask Housing would only take a small portion of the ownership of it. They said they'd never had a bigger project in rural Saskatchewan, and they didn't want to take on any more ownership because of the uncertainty in rural Saskatchewan.

Well people that live in rural Saskatchewan are uncertain all the time about everything that goes on. And if their government is uncertain about rural Saskatchewan that doesn't send a message that we want to hear. So to have an opportunity to see a town being able to take on a project of some magnitude that would actually allow people to have a housing unit, that life lease project, would send a strong message that your department actually was trying to coordinate the efforts of various

departments — whether that's Sask Housing, and perhaps I would probably involve SaskWater, and some of the rest of them. There has to be some ownership of an issue like this.

And I'm hoping you can tell me today why it's not something that your department would take the lead on and show people that yes, that you do as a government, this NDP government, does believe in rural Saskatchewan?

**Hon. Mr. Serby:** — Well this is a question that has a number of answers to it, so I will attempt to provide them in a couple of ways.

One is that you are absolutely right that the role of rural development is about being a centre for the rural communities in terms of what services might be about that need to be plugged in, in a better way; what kinds of resources are available for communities and entrepreneurs or developers that we might be able to connect them with; as well as being a rural lens, is what we call it, or a pulse, to measure the pulse of what's happening in rural Saskatchewan land. This would be what the intent of our department is today, and what it has been for some time.

So for those who argue that there should be a central mechanism to provide this kind of coordination, the truth is, is that it's already been there for some time. It will be far greater enhanced under the new role of Rural Development because we now have operational staff that we have at our purview to do the work.

And so you can continue to count on bringing issues to this department and we will continue to be active in trying to find solutions for them, or to create new environments for people to do work.

We should be cognizant of the notion that — and my department folks are beginning to share this — is that we are now becoming the department for everything in rural Saskatchewan. So it doesn't matter whether it's a snowmobile trail, whether it's a hog barn, whether it's a housing project, they're all starting to find their way into our departments. And we are working at coordinating them.

On the specific issue that you brought to me, we addressed quite fully in my view and I think provided you with the answer. We had two comparable communities that were doing exactly the same thing. And life lease projects are essential, not only in smaller urban communities but in larger urbans as well. And we have many of them in the province today. And when you make the point that provincial governments need to be there for communities, that's the truth.

And there are limits though in terms of what security you can sometimes provide in a project. With the housing units, the policy today reads that the maximum level of security that needs to be provided, I think, was \$40,000.

Interestingly enough two comparable communities like Kelvington and I think it was Strasbourg, Strasbourg's town was providing the security that was necessary to the life lease project as a community, as a town, on their own. Kelvington was not providing that kind of security on its life lease project,

which is an interesting position that they took.

And the point you make is that you think that the risks should be taken by the people of the province as opposed to the local community. When you apply the same criteria across the province to everybody, the responsibility of providing the debt security was to the community. And it sounds to me in your case that your community of Kelvington was not prepared to do that. And they should be. And if your argument is, is that the people of Saskatchewan should be the ones responsible for that as opposed to the community, I'd be interested in you making that point.

**Ms. Draude:** — Thank you, Mr. Minister. What I'm saying is that your department, your government is quite prepared to do it in the area of a city. So you've determined that that's okay in a larger urban centre, but it's not okay in a rural area because of the instability of rural Saskatchewan. And that my point is that if you're going to have a program or a policy, it's got to be the same policy right across the province. You can't pick and choose because there's fewer people in one area, that that's . . . it's different criteria. That's my concern.

**Hon. Mr. Serby:** — But you see, what you've said is not accurate because the policy applies across the province equally for whether you live in a large urban centre or whether you live in a smaller Saskatchewan community. The policy is the same. And there isn't any discrimination about a rural community or the urban community. The policy is the same.

The question that I put to you is that one community chose not to take the risk to secure the debt and that was their choice. And the argument you make is that . . . And that's the community's choice. If they choose not to take the risk of securing the debt on the life lease, that's their prerogative.

Another rural community that I've identified for you, they chose to take a security on the debt in order for a project in their community to go. We apply exactly the same rules.

And if your question to me is that, well why don't you make up the difference provincially — if that's the question — then we would then need a new provincial policy. And then, you are discriminating between communities.

**Ms. Draude:** — Mr. Minister, my questions is, is the policy for Saskatoon different than the policy for Kelvington?

**Hon. Mr. Serby:** — It's the same.

**Ms. Draude:** — There's no difference in the percentage of the ownership that Sask Housing will take in Saskatoon than it is to a town?

**Hon. Mr. Serby:** — I believe it's not. There's no difference.

**Ms. Draude:** — I'll check that. Thank you, Mr. Minister.

**Hon. Mr. Serby:** — Okay.

**Ms. Draude:** — I just have a short question for you. And another, most of the small communities right now are absolutely reeling with the cost of the RCMP [Royal Canadian



Mounted Police] burden for towns. And I'm sure that when you look at the percentage of increase in the last couple of years, it's been tremendous. Urban municipalities with less than 500 population has gone up considerably. In fact, this year I believe it went up 6.9 per cent and ones without an RCMP detachment went up 13 per cent.

And I think that, getting quite close to home, Mr. Minister, the town of or village of Rama has I think a population of about 85. And when you add this cost to them, along with some of the other additional costs of a small town, we now have a town council that not only gets paid nothing, they do the maintenance work themselves. They're considering turning off half the street lights, if they can keep their town going. They have . . . The town administrator's taken the water certification course so that she can be the one that ensures the water is safe for the residents.

They're doing everything that they can possibly do themselves. And then they get a bill that's, in the last two years, that's gone up over 20 per cent for policing. And not that I'm blaming the police because we know what the . . . the number of police officers there are. But the only time you see a policeman is, oh probably once every two weeks if there's a ride through. And I know I've done a ride through, a ride along with the RCMP and they know that Rama isn't the first stop that they have to make.

So I guess my question is: how is your department working with Government Relations to ensure that towns like Rama not only could survive but maybe even thrive occasionally?

**Hon. Mr. Serby:** — Well, Mr. Chair, I know that there is policing services in Rama when they know that the member is travelling through there to ensure that speed limits are maintained.

I want to say to the member that this whole issue of policing costs have been under the microscope with the Department of Justice, the ministry of municipal . . . it's not Municipal Affairs anymore, it's Intergovernmental Affairs, and the municipalities, urban, rural. They've had a joint working committee on this issue for a number of years.

They concluded collectively that, in order to provide a sense of fairness on the policing issue, that what you would need to do is you would need to readjust or reconstruct how policing charges were applied because in the past you had municipalities under a certain population that didn't pay anything at all for policing services in rural Saskatchewan, with populations that were very small. Neighbouring municipalities felt that that was unfair. They felt that if you have a community that might have a population . . . and I don't know the numbers exactly because I don't have them with me. But if you had a smaller population and you were a neighbour, you might not be paying anything, where your neighbour was paying something.

In rural municipalities, the past policy was that many of those didn't pay anything for the services they were receiving, and the municipalities felt that was unfair. And so they came up with a new formula that provided for a new funding structure which said that some municipalities that had detachments would pay a different rate. Those that didn't have detachments would pay yet another rate. And those municipalities that were of a certain

size — I believe it's 5,000 and larger, and then I think there's another level of distribution of where the pay or the cost becomes a little different — they established the new policy. And this new policy has been in the making for a number of years. It's been in place now I believe for two.

And there is some discontent, I have to say. I mean for those municipalities who've paid nothing for a long time and received some policing services, they're of the view that they should continue to pay nothing. And those municipalities who paid what they believed was a larger lion's share today believe that there's some equity because now you have other communities all participating in some level of payment for police protection. And you'll get all sorts of arguments today about whether or not the services are enough. You know, some will say, I'm paying something for policing services today, but I never see a police car, or I never see an officer in my community, which I think is a different issue.

But the reality is, is that I think the municipalities have been able to, with the provincial government, various different departments, to come up with a formula, Mr. Chair, which is workable. Is it perfect? It's not. But the reality is, is that some are paying something now that they didn't before, and they don't like it.

**Mr. Brkich:** — You answered the first part of the member from Kelvington's question, and also at the beginning when we'd started this debate there. I noticed the similarities in Rural Revitalization and Rural Development, but one other similarity seemed to come to mind after a while, that I've heard this same speech and the same kind of mandates and the same kind of things from REDAs. I think that's what this government developed them to do.

I guess my question to you is, instead of spending a bunch more money developing a new department, why wouldn't you have just beefed up the REDAs out there, give them more resources, maybe more people? Because when I've talked to the different REDAs out there, that's their biggest trouble . . . is resources and money and staff. And I think they are so far trying to do a job out there with very limited resources.

My question to you is, why wouldn't you have just beefed up the REDAs and not had a Rural Development department? Why not just beef them up? Let them do the job out there. They're out there in rural Saskatchewan. They're already out there in them communities. They know what the communities need. They know what has to be done out there — not a ministry that's set up here in Regina in an office.

**Hon. Mr. Serby:** — But you see we're not assuming any of the responsibilities of the rural REDAs. We're not taking over their role. We're not asking to assume any of their responsibilities. All we're doing is providing a coordinated approach to working collectively together. That's what we're doing today.

And we took the departmental staff from Industry and Resources because we're not creating new positions; we're simply moving the positions from Industry and Resources, and we're putting them in Rural Development. We're taking the jobs that were over in Industry and Resources with the co-ops, and we're moving them to Rural Development, provincial

employees. We're taking the provincial employees who worked with the Small Business Loans Association from Industry and Resources, and we're putting them in Rural Development. We're not creating more workers in the provincial administration. We're not creating more workers. We're simply taking them from over there and putting them over here — from Industry and Resources and putting them in regional development.

We're not reducing, and we're not getting in the way of the good work that's happening in rural Saskatchewan today by the REDAs, the 26 REDAs that are still out there, were out there, are still out there. We have responsibilities for them. We think that we need to resource them up better. I think you're right about that.

And this year . . . [inaudible interjection] . . . Pardon? Well we got 6 million, but we had 6 million before. We still have 6 million today. We have it. Well we have a little bit more than 6 million because this year we added a little, some additional dollars, to provide some of the enhancement funding, enhancement funding for the REDAs.

It's my view that, as yours is, that the people who are today working on the REDAs on the ground are the most in tune with what needs to happen in their regions. They're absolutely the most in tuned. And the biggest issue that they have is that they need access to what happens in this area, at this level, at the provincial level of government, both provincially and federally.

One of the recommendations that you'll see, that ACRE will be providing and one of the recommendations that they made, is that we have something like 1,200 areas of which people can go to get financial assistance in provincial, federal, municipal grants — initiatives that you can apply to get money from. Most of us don't know two of them, and they're all scattered all about the various different levels of government, the various different tiers of government.

Part of what this department will be helpful in doing is to be able to say to those people on the ground, in the local REDAs, these are the kinds of opportunities that you have access to, and it will be our job to provide them. And we need to be far more engaged to ensure that they have access to that information. And in some cases, I think they're going to need more money, even though it's cost-shared today. We're providing \$60,000 to each of those REDAs today. We're providing some additional enhancement money for them and it's all matching. But it's the right view I think, and I buy yours, that I think we need to do more in terms of providing these people with resources.

We have REDAs today who have people who are extremely poorly paid, work long hours, and what they're doing primarily is chasing grant money as opposed to working on projects. And I think it's our job to help elevate that level of involvement that they have today to a different degree from which they've been in the past. And we've got good resources to do that.

**Mr. Brkich:** — Thank you, Mr. Minister. I think you missed my point a little bit. I kind of think you're duplicating things with your end and the REDA end. To me I've always sent, when I have people coming to me for business proposals, send them to REDA. And they were always up on the grants; they

knew what to do. I think with your department, you're just basically duplicating another level of government. Let the REDAs do the economic development out there. Give them a little more resources. Talking about you moved some people, you just said you didn't hire extra; you moved some around. Well why not move some of them to help the REDAs instead of a new ministry and a new minister? Just give them the resources.

And I've got some pretty good REDAs. They're up on the grant money. They can chase down a lot of business opportunities out there. They're helping with business plans.

They could just use, just be . . . I guess my question is, why not just beef them up? Let them do what you're supposed to be doing. And then just the government actually just do the policy changes in the government rather than just making another ministry and another . . . it seems almost like another level of bureaucracy that is the same exact mandate as the REDAs out there because when I look at both your mandates, you're exactly the same. You look at a REDA's mandate; it's exactly the same as yours. So right now you've got two levels, another level of bureaucracy on there. Why not just bring this one down to the REDA level and expand there?

**Hon. Mr. Serby:** — Well because you have . . . As much as you make the case that you should staff up the local REDAs to the point where they can be fully functional to do all of the things that you're suggesting they could do . . . would require in my view a fairly significant pool of resources to start with.

Secondly you would be hard pressed, I would say, as being somebody working in a rural REDA today to have the capacity to have the access to all of the various different venues that are out there today. You just wouldn't be able to do it. And you can have this conversation at your pleasure with your own REDAs. They don't object to the structure. The current REDAs in Saskatchewan today don't object to the structures.

What the current REDAs want is they want capacity to be able to do the development work. They're not interested in chasing down all the regulatory requirements for whatever projects that they're working on. They're not interested in having to chase down cost-shared money, which they're having to do on a regular basis today. They want to do the project development work. They want to be the community developers, and that's what we should allow them to do.

And you should have then a team of men and women — and this is not a large team that you have here in the bureaucracy that used to be somewhere else — that is in our shop today. You need to have people who can have that kind of access because they know where to go, how to get it, how to get it quickly and in a coordinated fashion for 26 different REDAs in the province.

And so, I mean, it's not unlike what you have . . . and if we were to follow your argument through, you wouldn't need, you know, departments of health. You know you'd just simply give all of your resources to the regional health boards. And they in fact would then provide all of the services that were required. And you wouldn't need a central organizing system, which is contrary to what your own policy says because you policy says,

I think sir that what you would do with the rural health boards is that you would collapse them all, and you would have one central health system in Saskatchewan.

So it's interesting that you would argue today that you would take the REDAs and you would make the REDAs freestanding, functional, out there in rural Saskatchewan land. And you would take the health boards and you would collapse them all to the central functioning of a government that you would run.

**The Chair:** — Thank you, Mr. Minister. Thank you, members of the committee. It now being after 5 o'clock, the committee now stands adjourned.

[The committee adjourned at 17:01.]