



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

**Hansard Verbatim Report**

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**STANDING COMMITTEE ON INTERGOVERNMENTAL  
AFFAIRS AND JUSTICE**

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Mr. Doug Steele  
Cypress Hills

Mr. Warren Steinley  
Regina Walsh Acres

[The committee met at 15:02.]

**The Chair:** — I want to welcome everybody to the Standing Committee on Intergovernmental Affairs and Justice. I'm the Chair, Greg Brkich. Doyle Vermette is the Deputy Chair, but sitting in for Doyle Vermette is Nicole Rancourt; Nancy Heppner, a member; Lisa Lambert; Eric Olason; and Doug Steele. Also chitting in for Warren Steinley will be Paul Merriman.

Pursuant to rule 148(1), the November supplementary estimates for the following ministries were committed to the Standing Committee on Intergovernmental Affairs and Justice on November 22nd, 2016: we will be vote 3, Justice; vote 30, Government Relations.

**General Revenue Fund  
Supplementary Estimates — November  
Government Relations  
Vote 30**

**Subvotes (GR12) and (GR11)**

**The Chair:** — We are here today to consider the November supplementary estimates for the Ministry of Government Relations, vote 30, Government Relations, subvote (SS03).

Minister Harpauer is here with her officials. I will ask her to introduce her officials, and if she has any opening remarks, she may make them now. Minister.

**Hon. Ms. Harpauer:** — Thank you, Mr. Chairman, and I'm pleased to join you and the members of the Standing Committee on Intergovernmental Affairs and Justice for consideration of the supplementary estimates of the Ministry of Government Relations.

Joining me today, to my right, is Al Hilton, the deputy minister of Government Relations, the deputy minister of First Nations, Métis and Northern Affairs. I also have Laurier Donais, the assistant deputy minister, corporate services, public safety standards and disaster recovery; Grant Hilsenteger, the executive director of provincial disaster assistance program; Jeff Markewich, the executive director of corporate services; and Angela Currie, the chief of staff in my office.

Mr. Chairman, as noted in our government's mid-year report released yesterday, the Ministry of Government Relations is projected to be 28.2 million over its expense budget for the current 2016-17 fiscal year. Almost all of our ministry's overexpenditure relates to the provincial disaster assistance program known as PDAP. The PDAP overexpenditure is a result of an additional 9.5 million needed for known PDAP claims relating to the 2016 disaster events, an additional \$15.1 million needed for outstanding claims from prior years, an additional 4.2 million needed for administration of costs, including salaries, adjusters, and engineering services.

An extra 4 million is also required for gaming payments since actual casino profits were higher than what was forecasted in 2015-16, and just over 600,000 is required for emergency management and fire safety. Funding is required for the

\$250,000 donation we made to Fort McMurray and for response activities that occurred this year. The total overexpenditure is over 33 million. This pressure has been offset in part by deferring a payment of 5 million to Saskatoon for the north commuter parkway bridge into a future year and 300,000 in restraint savings that we found in-year.

First just to address the PDAP. Mr. Chairman and members of the committee are well aware of this program and how it has worked with individuals in communities across Saskatchewan to help them with recovery costs from natural disaster. It exists to restore property damage caused by disasters such as the floods we experienced in recent years. It exists for Saskatchewan people when disaster strikes and when private insurance does not apply. It is a program of last resort. We continue to be responsive to the needs of PDAP claims. As of September 30th, costs for this year were from 70 designated disaster areas and 418 claims.

The overexpenditure on prior year municipal claims is attributable to municipal claims where necessary project work was not initially identified by an engineer. And these higher costs in claims for both this year and previous years have resulted in the additional expenses that we had to incur for adjuster and engineer services in our current year.

The additional 4 million required for gaming agreements, Mr. Chair, is a requirement of the gaming framework agreement and *The Saskatchewan Gaming Corporation Act*, during the second quarter of the ministries receiving 2015-16 results from the Saskatchewan Indian Gaming Authority and the Saskatchewan Gaming Corporation.

The review of these audited results compared to estimated revenue requires reconciliation payments to be made to the community development corporation, the First Nations Trust and the Clarence Campeau Development Fund. The reconciliation of prior year revenue payments is a normal occurrence and a requirement of the gaming framing agreement. Thank you, Mr. Chair, and I look forward to responding to the questions of the committee.

**The Chair:** — Thank you, Minister. Are there any questions? Ms. Nicole Rancourt.

**Ms. Rancourt:** — Thank you, Mr. Chair, and thank you for all the officials that attended today. I know for myself it was kind of quick notice, and I don't know if it was for you guys as well, but I really appreciate you coming and I look forward to having opportunity to ask some questions with regards to some of these supplementary expenses. And, Minister Harpauer, welcome to your new role. And I know you're probably excited for your new role, but you didn't get a new critic and so here we are sitting together again. But I look forward to working with you as well.

I'm not quite sure if you guys want to work on the provincial disaster assistance aspect first because that's the kind of questions I have. Do we want to start with that . . . [inaudible interjection] . . . Yes. Okay, good.

So you went through the numbers of the reasons why the

increased expenses, but I had a hard time keeping up with those explanations. So I was wanting to go back to the beginning of kind of what you were saying. So I have 9.5 million from the known 2016 disaster costs. And then can you kind of outline just the beginning part there that outline the expenses?

**Hon. Ms. Harpauer:** — There is an additional 9.5 million required for the claims for the 2016 disaster events. Do you want details on what maybe some of those events were?

**Ms. Rancourt:** — Yes, that would be good.

**Hon. Ms. Harpauer:** — Okay, I will turn to the officials for those details.

**The Chair:** — I ask the official, the first time when he speaks just to say his name for Hansard, and then they will follow along after.

**Mr. Donais:** — Laurier Donais, assistant deputy minister with the Ministry of Government Relations. So throughout 2016 we basically had two separate types of events. There was spring flooding that pretty much covered, you know, the northern area and some in the east side of the province. And then we had some heavy rain events, particularly starting end of June and lasted through to end of July, early August. And some of those events hit the southern part of the province, Estevan area, eastern part of the province. But they did actually affect even up by the Lloydminster area as well. And there was that one system in about the second week of July that sort of stalled overtop of the province, and so it dumped quite a bit of rain on certain communities. Overall there was 70 designations, you know, under this year, well as of September 30th. There's been a few more since then, but yes, so 70 designations.

**Hon. Ms. Harpauer:** — So those designations so far, as of September 30th, is 418 claims.

**Mr. Donais:** — And that was simply 70 municipalities that are designating for disaster relief.

**Ms. Rancourt:** — So I see here in the budget there was 2 million, just, 2.772 million that was allotted for the provincial disaster assistance program. And then with the supplementary estimates, they're asking for 24.193 million. That's quite a big jump in numbers. And is this something that's typical, that mid-term report would ask for quite a bit more? Or what would be the reason for that?

**Hon. Ms. Harpauer:** — We always maintain within our budgets a base for the operating costs and personnel costs, and then we go through this process, dependent upon the disasters because they're not predictable. And so we don't put anything in the budget other than the base to maintain the staff and the operations of the disaster relief offices.

**Ms. Rancourt:** — This wouldn't be something that's that uncommon then?

**Hon. Ms. Harpauer:** — Correct.

**Ms. Rancourt:** — At this point in the year, how do claims compare to last year?

**Mr. Donais:** — So as of September 30th, we have about 420 claims. And compared to last year we were about . . . Well we were 350 claims for the whole year, so we're up. And actually since the end of September we're closer to 500 claims now, so we definitely are higher than last year.

**Ms. Rancourt:** — An extra 660,000 was added to emergency management and fire safety. Can you expand on what this was for?

[15:15]

**Hon. Ms. Harpauer:** — Yes, so I had mentioned that just over 600,000 was required for emergency management and fire safety. Of that, 250,000 went to the Red Cross as a donation that we made for Fort McMurray and the fire disaster that they had experienced there and the massive evacuation. The 300,000 is the cost associated with the Husky oil spill. And then 50,000-plus is kind of unique pressures that we would have had, such as our response to the shooting disaster in La Loche.

**Ms. Rancourt:** — So with regards to the Red Cross donation for Fort McMurray, has the province donated like that before to other provinces that were facing an emergency such as that? Has there been past precedents?

**Hon. Ms. Harpauer:** — I don't recall any, like within our country sort of catastrophic disaster that we've donated to in the most recent years. So probably the last one before this would have been Haiti and the disaster that struck Haiti. We would have donated some money to Red Cross for that. There has been some other international disasters that we have given some donation to, but I can't remember any in-country in the last several years.

**Ms. Rancourt:** — And with the 300,000 that went towards the oil, the Husky oil spill, will Husky be paying back the province with regards to that?

**Hon. Ms. Harpauer:** — Yes. We're going to . . . Because we're not the only ministry that incurred some cost. There will be some cost incurred in the Environment ministry, for example. So at some point we will kind of do a roll-up of all of the expenditures and then approach Husky for a reimbursement of those costs.

**Ms. Rancourt:** — How long do you think this will take before we get a reimbursement?

**Hon. Ms. Harpauer:** — I can't predict. We've just had that first level of conversation. Maybe the officials have delved into it deeper. I know I've only talked to the Minister of Environment once, but I would say, once they feel they've completed their expenses is when we . . . And I'm not sure when that is.

**The Chair:** — David Buckingham is now substituting in for Warren Steinley. Go ahead, Nicole. Sorry for cutting in.

**Ms. Rancourt:** — So are there ongoing expenditures that are happening with regards to the oil spill at this time?

**Hon. Ms. Harpauer:** — In our ministry, no. We don't feel

we'll have more expenditures. And I can't speak to Environment.

**Ms. Rancourt:** — And with regards to this 300,000, what was that placed towards?

**Hon. Ms. Harpauer:** — So largely the \$300,000 was for overtime for staff. And what staff, through this ministry, primarily did was assisted Prince Albert in pumping water and getting water from a different water source as quickly as possible and distributing potable water to the smaller communities around Prince Albert that were affected.

**Ms. Rancourt:** — And with the \$50,000 for the La Loche shooting, what kind of examples did this ministry provide with regards to support for that?

**Hon. Ms. Harpauer:** — So the ministry officials in this ministry were sort of the lead in coordinating the emergency response centres. So they were coordinating both the provincial and the federal responses, and so again this would be expenditures for staff.

**Ms. Rancourt:** — So with regards to federal finances, how much federal money would we be getting towards some of these expenses?

**Hon. Ms. Harpauer:** — We wouldn't. They would have incurred their staff expenses, and we would have the expense of the coordination.

**Ms. Rancourt:** — I'm sorry to jump back and forth, but that's how my brain is functioning today. But going back to the Husky oil spill, I know Husky did give some communities some money ahead of time just to kind of help with that. Did the province get any money upfront from Husky, or we're just going to submit our bills?

**Hon. Ms. Harpauer:** — Not to my knowledge. I know our ministry didn't. But I believe in conversations with other ministries or other ministers, I don't think anyone had any advance payment that I am aware of. What we are anticipating is that, once all ministries feel that they no longer have any expense related to the spill, we'll coordinate and have one single bill submission.

**Ms. Rancourt:** — Is there any sort of deadline that you have to have these submitted by?

**Hon. Ms. Harpauer:** — No.

**Ms. Rancourt:** — So you talked about how some of these expenses are with regards to administrative expenses. How much would the administrative expenses be with regards to the allocated funds here?

**Hon. Ms. Harpauer:** — And as you mentioned, the numbers go very fast, so I'll just backtrack for clarification. So we have this year's claims, which you've gone through now, and that's the 9.5 million. And then we have an additional request for 15.1 million, which is outstanding claims from prior years; and the administrative costs, which is salaries and adjusters; and engineering services is 4.2 million.

Largely, the engineering services is an expense that would be dependent on the types of claims as to the engineering skills that we would need and the numbers, of course. What that amount would be would be dependent on the type of claims that we're getting.

**Ms. Rancourt:** — Are there currently any delays with receiving any payments from PDAP? Are there any delays for receiving payments?

**Hon. Ms. Harpauer:** — The biggest delay is getting our portion from the federal government. But there are some claims that are more complicated than others and show . . . historically in the PDAP program, there may be a year or more lag in a claim actually being settled. And it's just the nature of the claim and what damage is over time and not immediate.

Probably I'm going to say, and my officials can correct me, but just with some experience with it, the municipal claims tend to take longer than an individual's claim because the municipal will have structural, usually have structural damage claims, whereas the individual's claim, although it may be structural, it'll be a house or something that's easier to adjust and define what damage has been done.

**Ms. Rancourt:** — So how many claims are currently being held up?

**Hon. Ms. Harpauer:** — I wasn't the minister at the time, so I had to sort of get . . . But I remember the discussions in cabinet. In around 2010, the ministry made the decision to hire a considerable number of staff to try to clear up a backlog of claims. And we've had a number of significant events at that time and since that time.

However right now from 2010 to 2016, there were 22,450 claims. Of those, there is still 662 that are active, so we have basically closed between 97 to 98 per cent of the claims, which is quite a high level from past history.

**Ms. Rancourt:** — So you indicated that some claims would be more complicated than others. Can you expand on that? Exactly what would be reasons for that complication?

[15:30]

**Hon. Ms. Harpauer:** — So something that's happened a lot in my area due to the high water level and flooding is, so in a municipality up there is a road that's gone under water. An assessment can be done, but in essence it may sit under water for quite a length of time. And then if the water recedes or if the water's pumped off and the road is finally no longer under water, they may find that there's more damage than what they anticipated. They may have to go back farther to renew the road farther than they had anticipated. So that would be a complicated claim.

And I know in my area, and I'm sure — because I know the flooding didn't just happen in Humboldt; it went right up through to P.A. [Prince Albert], so everywhere — it may be some time where that road remains under water before the water either recedes or there's some route out that's figured out and engineered to get the water off the road. So that becomes a

lengthy claim.

**Ms. Rancourt:** — And I realize that the provincial disaster assistance program, oftentimes they come in once a disaster happens. But how much is kind of your responsibility to ensure that whatever is done to repair that, that there's preventative measures to ensure that that doesn't happen again?

**Hon. Ms. Harpauer:** — Flood mitigation programming is under the Ministry of Environment, because you're talking about mitigation . . . [inaudible interjection] . . . Okay, I'm being corrected. It's under the Water Security Agency is where you will find the funding and programming for flood mitigation to prevent future flooding or initial flooding.

**Ms. Rancourt:** — So it sounds like that you guys work with a lot of the different ministries. So there's a lot of overlap, isn't there? Yes.

So you made some reference to the federal funding and sometimes there's a lag with receiving benefits from them. So how much at this time are we waiting for with regards to funding from the federal government?

**Hon. Ms. Harpauer:** — As of September 30th, 2016, we feel we're owed \$267.689 million from the federal government.

**Ms. Rancourt:** — That would definitely have an impact on the budget here. That's quite a substantial amount of money. So is it normal to be waiting for federal money like this?

**Hon. Ms. Harpauer:** — Laurier will explain why.

**Mr. Donais:** — Okay, sure. So I guess the process with the federal government is we have to close out all of the claims that are associated with a specific designation and event. And so that can take, as the minister indicated earlier, can take, you know, years for that to happen, particularly with some of the more complicated claims.

So we have to close out all of those claims, and then we go through a review audit process with the federal government. They'll come in and look at our files and make sure that, you know, we're in compliance with the disaster financial assistance arrangement that they have in place for all the provinces. And then once that audit is done, then they'll give us the conclusions and the audit results and then close off and make payment on that.

What the province can do for particularly significant events is request advances. You know, sort of within that first year after the event occurs, we can give an estimate to the federal government. They can come in and they can do a preliminary review or audit of the event in that situation. And then they'll issue their conclusions on that and then issue us an advance payment. And we've had a couple of situations in the past where we've done that.

**Ms. Rancourt:** — What would be the requirements or what would be the conditions that you would decide to go towards getting an advance payment from the federal government?

**Mr. Donais:** — Really it would be the size of the event and

how many . . . size of the event and how long we think that it will take to close off that claim year. But primarily it's the size of the event because if it's significant and, you know, the province is paying out tens or hundreds of millions of dollars, then we'll put in that request for an advance.

**Ms. Rancourt:** — So would it be fair to say that that doesn't happen very often?

**Mr. Donais:** — Yes. Yes, it would be. There's been a few events. In 2014 there was some heavy rain events near the end of June, and 2011 as well. And then of course 2015 with the wildfires and that.

**Ms. Rancourt:** — And so it sounds like it is quite the lengthy process to go through with regards to receiving the federal money back. So do you have like on average how long it takes to go through that whole process or . . .

**Mr. Donais:** — We don't. But it does take many years because we still . . . As the minister, the numbers that the minister referred to, some of that dates back to 2007. Not a whole lot, but some of it does date back to 2007. And recent changes to the federal disaster financial assistance arrangements requires provinces to close off years five years after they've received federal government approval for the FAA [financial assistance arrangements] assistance. So there is sort of that time frame now.

Now we can, in certain circumstances, request an extension of that, but that's sort of the time frame that we're looking at.

**Ms. Rancourt:** — I had the opportunity to go to Regina Beach a few weeks ago and talk to some of the residents there. And I'm sure you guys are well aware of some of the issues that they've been having there and other areas too, I hear, with regards to some of the land shifting and such, and damages to the homes there. So some PDAP funding has been paid out for these issues. Can you highlight how much money has been paid out?

**Hon. Ms. Harpauer:** — We don't have that specific number available for this committee, but we will provide it to the committee.

**Ms. Rancourt:** — And are there other areas in the province where they had similar claims have been made?

**Hon. Ms. Harpauer:** — So I'm being advised that there have been claims from Grandview and Buena Vista. That's not to give the illusion that there hasn't been slumping happened in other locations, but that didn't happen because of an event. It's rather natural slumping, so that's where, kind of, there's differences.

**Ms. Rancourt:** — Some of the concerns that were brought up to my attention were some of the homeowners had made a PDAP claim, but they were concerned that if another incident happened that they wouldn't be able to make another claim because they had already made a claim with regards to their residence. They told me that they were only allowed to do that at one time. Is that the correct information?

**Hon. Ms. Harpauer:** — I'm going to get Al Hilton to explain the special provisions that were provided to Regina Beach because of their unique situation.

**Mr. Hilton:** — Al Hilton, deputy minister. So after the event in Regina Beach, including the explosion, the natural gas explosion, a number of officials, including myself, went to Regina Beach and met with the local leadership, and we subsequently followed up with them by putting together a team of officials. There were community planners from Government Relations, there were PDAP people from Government Relations, officials from Highways, officials from SaskEnergy, etc., to sort of develop a bit of a plan. And a number of the properties that were impacted by that rain event and the subsequent slumping, to rebuild there would have been a problem because that event made those properties particularly vulnerable to another rain event and further slumping.

So what we did is we, through a fairly unknown feature of the federal disaster financial arrangements program, we were able to set aside a certain amount of money under that program to pay people to relocate their properties to a different location so they weren't rebuilding on the same spot. So we were able to provide them an additional \$40,000 over and above what they would normally be entitled to, for that purpose. And we did that on the understanding that the municipality wouldn't be issuing any new building permits on those lots and that those lots would be set aside for public reserve or they could be made available for people to move trailers onto, knowing full well that if the risk presented itself again, the trailers would be relatively easy to move. So that was a bit of a unique response to a situation that was quite unique at the time.

**Ms. Rancourt:** — And it was also my understanding that there is a good potential that that land might shift also again. Is that correct?

**Hon. Ms. Harpauer:** — I think you're correct in that. And again I go back to the comment I made. So PDAP is for a natural disaster event but not sort of a natural occurrence such as shifting of ground. So that's where it becomes . . . Regina Beach absolutely is kind of a unique situation because it was a heavy rain that we believe caused shifting, but I think we've identified that there's vulnerability along that bank anyways.

**Ms. Rancourt:** — So has there been discussions on how to help folks that might not necessarily fall under the mandate of the provincial disaster assistance program but still have this potential?

[15:45]

**Hon. Ms. Harpauer:** — No, there hasn't. Like I said, there is slumping in other areas of the province as well that's happening along that riverbank. And that's definitely happening in Saskatoon not due to any natural disaster event. So it would take a very broad discussion, and I would venture a lot of funds if you started to open the door to every location that's a vulnerable location for a poor structure.

**Ms. Rancourt:** — Thank you. I think that's all the questions I have with regards to the provincial disaster program. Thanks again for all your information. I'll pass it over to my colleague

here.

**The Chair:** — Mr. Belanger.

**Mr. Belanger:** — Thank you very much, Mr. Chair. I've just got questions around the First Nations and Métis engagement file, in particular the \$3.6 million that was added as a result of the supplementary estimates. And before I get into the information that refers to the \$3.6 million, can you give me a basic description of how the First Nations gaming agreement is in place now in 2016, and just a brief history of how the agreement came into play?

**Hon. Ms. Harpauer:** — So the member opposite is well aware that the agreement is with SLGA [Saskatchewan Liquor and Gaming Authority]. And so if he has that question, that's where I would suggest that he direct it. We just flow the funds.

**Mr. Belanger:** — And that's the confusing nuances of governing. When you have questions on particular programs, one is housed in one particular area and another is housed in another area, and it's difficult to get the answers over a process of time over a wide variety of ministries.

But that being said, we'll stick to the additional \$3.6 million that you've basically indicated as part of the supplementary estimates today. The additional \$3.6 million was added for "higher-than-budgeted gaming agreement payment costs . . . [for] reconciling actual 2015-16 casino profits . . ."

Now when you say payment costs, would that be referred to as payment revenues? Like when you say costs, one would read that and would safely assume that the additional \$3.6 million was added because you had more revenues from the casinos. Why would you say revenues from the casinos as opposed to payment costs? Like what's the difference here?

**Hon. Ms. Harpauer:** — I will just reread what I said. When I had my opening statement, I said an extra 4 million is also required for gaming payments since actual casino profits were higher than what was forecasted in 2015-16.

**Mr. Belanger:** — Can you explain to me, when you have these reconciliation processes in place, is the department sitting down with SIGA [Saskatchewan Indian Gaming Authority Inc.] or does the department make the determination on their own as to how these . . . Again going back to the fact that there was \$3.6 million added, was it a challenge from SIGA to the government, or do you jointly reconcile these figures on an annual basis?

**Hon. Ms. Harpauer:** — Again as the member opposite knows because I believe at one point in time he was the minister responsible, SIGA reports their revenues.

**Mr. Belanger:** — One of the things that SIGA talks to us on a continual basis about is the fact that there's this crossover formula. And again I want to identify that the crossover formula is with the First Nations gaming agreements. And is the minister able to answer some of the questions based on the crossover formula in her capacity as First Nations and Métis affairs minister as to what the crossover formula is, or is that another SLGA deferred matter?

**Hon. Ms. Harpauer:** — It would be under SLGA. They are the holders and the signatories of the agreement.

**Mr. Belanger:** — So in a sense the directive you get under the budgetary supplementary estimates is primarily your . . . It's a housekeeping, or financial housekeeping issue that you simply get the directive from SLGA to forward this money on through your department, First Nations and Métis Relations, and that goes into . . . it goes to SIGA. Is that correct?

**Hon. Ms. Harpauer:** — SIGA reports their profits. The holder of the agreement is SLGA, and it is a 25-year agreement that's reviewed every five years. It's up for renewal; I think you're aware of that. But you're correct. Government Relations simply flows the money as reported from SIGA. So 50 per cent goes to the First Nations Trust, 25 per cent to the community development corporations, and 25 per cent to the General Revenue Fund. And from the Saskatchewan Gaming Corporation, 50 per cent goes to the General Revenue Fund, 25 per cent to the Community Initiatives Fund, and 25 per cent to the First Nations Trust. That is all part of the agreement, so it's dictated by the agreement that's in place.

**Mr. Belanger:** — So in a sense then, when it looks at the supplementary estimates that are being proposed today, you're basically saying that you're not privy to the agreements. You don't have no way of reconciling what is being forwarded to you as a minister as it relates to the gaming agreement with the First Nations, and that your primary role on this front is to simply advance them the money and not have any mechanisms or processes in place to reconcile . . . The position you're taking right now is saying we got to pay this money, and any information regarding the gaming agreement, go see SLGA. I'm just asking you, what is your role in determining the accuracy of the funds that you're forwarding to the First Nations gaming agreement?

**Hon. Ms. Harpauer:** — So the gaming agreement is an agreement, as I said, that's been in place for some time. It was decided actually when you yourself would have been a cabinet minister, and your government at that time would have been a signator to this agreement. It's a 25-year agreement that . . . The holder of the agreement is SLGA, and it's negotiated every five years to see if there's any changes. And there has been changes made, not necessarily to the formula but in adding casinos over time. The role, as you pointed out, of my ministry is to flow the money according to the agreement, so the percentage values I just presented to you moments ago. The gaming corporation and SIGA reports what those profits are, the mathematical calculations are done, and the money is flowed accordingly.

**Mr. Belanger:** — So I just want to confirm on this front, on this front, your only role as a minister responsible for First Nations and Métis engagement under this supplementary estimates is primarily to flow through the money, and that's it?

**Hon. Ms. Harpauer:** — Correct.

**Mr. Belanger:** — So you wouldn't have any idea as to how equitable the agreement is as it relates to the crossover formula? You wouldn't have any information regarding that particular aspect of this agreement?

**Hon. Ms. Harpauer:** — Equitable to what?

**Mr. Belanger:** — Well there's a crossover formula that the First Nations are not happy with. In a sense they are indicating to a number of organizations and government officials and the opposition as well that the First Nations are really not getting their equitable share in this crossover formula. But I just want to confirm whether you would be the minister that would be aware of that or do we simply defer this matter to the SLGA minister? That's the question I have.

**Hon. Ms. Harpauer:** — I think that every minister is aware of the First Nations position because we meet with First Nations leadership on a regular basis. So we're all aware of the request for a change to the formula.

**Mr. Belanger:** — So you'd also be aware of the First Nations gaming agreement and how that's all structured? You'd have probably pretty good knowledge of that particular file?

**Hon. Ms. Harpauer:** — I have pretty good knowledge of the particular file. I also know that it's one of the, if not the richest agreement in our country for First Nations.

**Mr. Belanger:** — So could you explain to me then, if you're aware of the file and that you're flowing money through your department and that you've had and have been privy to discussions around the crossover formula, what is the basis of the crossover formula? What is the First Nations primary concern with that formula? Could you give me a dollar figure to it? Is it a \$2 million discrepancy between what they anticipate is a fair arrangement or a \$3 million cost? These are the figures that, you know, that I'm interested in hearing from you.

**Hon. Ms. Harpauer:** — The last time I would have had a conversation with FSIN [Federation of Sovereign Indigenous Nations] on this particular issue was when Perry Bellegarde was the leader of FSIN, so that was some time ago. So no, I can't answer the question.

**Mr. Belanger:** — The Métis Development Fund also received 376,000. Could you expand on that as well? Is it the same arrangement where you've had higher budget gaming revenues coming in? Is that fair to assume?

**Hon. Ms. Harpauer:** — So from the Gaming Corporation, they receive 25 per cent of the profits.

**Mr. Belanger:** — So on an annual basis, what would the First Nations receive, a ballpark figure, if the additional 3.6 million that's identified here . . . What would they receive annually from the gaming agreement? Would you be able to give me a ballpark figure?

**Hon. Ms. Harpauer:** — 3.6 is not an annual amount. It's an additional amount so I'm not sure that . . . I don't have a clue what your question is when . . . The annual amount, the total will be 82 million.

**Mr. Belanger:** — 82 million.

**Hon. Ms. Harpauer:** — 82.839.



**Mr. Belanger:** — Okay, and that was my question. I realize that 3.6 million is not the total amount. I'm just saying, how much is the total amount allocated to the First Nations gaming agreement?

**Hon. Ms. Harpauer:** — The total amount for all of it is 82.839 million. The First Nations Trust is at 57.976 million. Northern Lights CDC [Community Development Corporation] is 7.808. BATC [Battlefords Agency Tribal Chiefs] CDC is 3.522. Painted Hand CDC is 2.389. Bear Claw CDC is point one four two. Dakota Dunes CDC is 6.897. Living Sky CDC is point five one four. And the Métis Clarence Campeau Development Fund is 3.591.

**Mr. Belanger:** — In terms of the expansion to the First Nations gaming agreement, does your department anticipate what the Lloydminster casino may generate in terms of profit if they are subjected to this gaming agreement? Is there any kind of discussions or collaboration with either yourself or the folks in SLGA?

**Hon. Ms. Harpauer:** — I know there's been discussions with the folks in SLGA, but I don't know whether that has covered what the anticipated business case is.

**Mr. Belanger:** — Okay. And I just want to clarify again, as a result of this particular gaming agreement, the Clarence Campeau Development Fund receives 3.591 million per year. Is that correct?

**Hon. Ms. Harpauer:** — For this year. Each year varies depending on the profits of the casino.

**Mr. Belanger:** — Is it safe to assume that the CCDF [Clarence Campeau Development Fund] is under your purview as a Métis business development tool that the government could utilize?

[16:00]

**Hon. Ms. Harpauer:** — The agreement with the Clarence Campeau Development Fund is through the Ministry of Economy. So again, we just flow the money.

**Mr. Belanger:** — The other question I have is a result of the, like the annual reports. Like is there an interdepartmental evaluation of some of these agreements? Because obviously, as I mentioned at the outset, when you have what people often refer to as stovepipe mentality of certain ministries being responsible for this aspect of this agreement and others being responsible for this aspect . . . Is there a collaborative effort between the departments, in this case the department of SLGA and yourself as the Minister for Indian and Métis affairs in evaluating and dissecting or analyzing how well these programs are working to meet some of their objectives? Is there that type of exercise within your ministry?

**Hon. Ms. Harpauer:** — No, there isn't within my ministry.

**Mr. Belanger:** — Is there any added dimension to the overall government strategy? And the point I'm trying to get at here is that as you have these processes in place, that there's real tangible results that we can point to as an example to reduce unemployment in Métis communities or to spur development in

the First Nations community as a result of these gaming agreements. There has been none of that particular exercise being undertaken by the government overall that you're aware of?

**Hon. Ms. Harpauer:** — My question has to be, are you suggesting that the government should have more control over these funds that are in essence controlled by First Nations and Métis communities and organizations and leaders?

**Mr. Belanger:** — Absolutely not. I'm just merely indicating that perhaps as a result of some of the discussions around this particular file, that after a number of years that the government could ascertain that these programs are successful, they are results-orientated, and that we can point to real stats and real figures and basically be proud of some of the gaming agreements that we've put in place. I'm just asking, do you collect that data and do you analyze it and do you incorporate it in an overall government strategy on how to deal with the indigenous communities overall, whether they're Métis or First Nations?

**Hon. Ms. Harpauer:** — Well the First Nations in the case of the First Nations Trust and then the different community development funds are controlled by the First Nations leadership that it pertains to or goes to, as does the Métis fund and, as you mentioned, they have the control of that money. And then there's the annual reports where they do highlight success stories within. And we don't micromanage or dictate their expenditures, nor do I understand that you want us to, so I'm not sure what you . . . how we're supposed to dictate how it should be without dictating how it should be spent. But are there success stories from these funds? I would say yes.

**Mr. Belanger:** — I wouldn't suggest dictating or micromanaging in any way, shape, or form so you're correct in assuming that safely. My only argument is that I'm just indicating to you today that . . . Is there any intelligence that the government uses as a result of the investment to this gaming agreement that would assist people in understanding how successful these gaming agreements are? Like do you collect that data? Do you share that data? Do you incorporate that as part of your government strategy to deal with the Aboriginal community overall, whether they're First Nations or Métis? That was my question.

**Hon. Ms. Harpauer:** — As I mentioned before, they all have annual reports. They report to their own communities. There is success stories within those reports. If they want it reported differently, I would take suggestions from the leadership of how they would like the reporting to look different. But I've never received any suggestion of how they would like the reporting to be different other than the way they already do.

**Mr. Belanger:** — No, and I just wanted to clarify that. I just wanted to ensure that there's two or three things that are really important here. First of all, the fact that the autonomy of these organizations should be respected. This is a gaming agreement. There's two sides to this. And obviously as you have these adjustments from the perspective of trying to glean off certain good stories as a result of some of the partners who work in this — and by partners I mean the First Nations and the Métis — I just wanted to make sure that you understood that I am not

suggesting in any way, shape, or form any interference in terms of micromanaging or dictating because as I said, it is a partnership.

However as a result of some of their good work, I'm just making sure that we understand that some of the good work being done by your partner communities under the First Nations agreement is something that we should be proud of and we should be touting and we should be speaking about. And that's exactly the point I raise. So I think it's important to note that as a result of this gaming agreement, we're hearing some very good stories of some of the things that they've done.

We hear continually from a very professional perspective the fact that this crossover agreement is not fair, that the First Nations are in essence being shortchanged as a result of this agreement. And when we see a \$3.6 million addition to your budget that's going directly into the First Nations agreement, and of course a portion of that going to the Métis Development Fund, we assume that this was what the adjustment was about. You know, we had incorrectly assumed that here it is greater revenue.

So when is the five-year agreement up? And since your government has been in power, how many opportunities have you had to renegotiate the gaming agreement? Could you give us a basic understanding of that timeline?

**Hon. Ms. Harpauer:** — I'm not the minister responsible but I do know that it's up at the end of this year, I believe, or beginning of next year. So you can just do the math going back five years. We would've negotiated it I believe once before.

**Mr. Belanger:** — So this process, I'm just basically indicating to you as a minister responsible for First Nations and Métis engagement overall the fact that the gaming agreement needs to address the crossover. And while I realize you are just simply, you're simply flowing through the money through your department, I'm indicating that when the time and the opportunity arises, that the more ministers we have aware of this situation that sit around cabinet, that they take the opportunity to examine the crossover formula. And it is a bone of contention when it comes to the First Nations community in particular. And of course the Métis Development Fund is also impacted.

So I wanted to take this opportunity to highlight that particular issue and that in no way, shape, or form am I suggesting that you micromanage nor rearrange power and control that was negotiated with very capable partners. If you could just simply clarify that you are aware of that, that would be sufficient for me.

**Hon. Ms. Harpauer:** — Well what I am very aware of because you have spent some time now playing politics with this, I'm also very aware that something that the First Nations leadership wanted is ownership of the government-owned casinos. And before that conversation could even take place, the leader of your party shut that conversation down — the leader at that time.

So I think the negotiations will happen with the First Nations leadership that are the signatories of that agreement, and that's

where those conversations will take place. Because if you're so attuned to what the First Nations want and the First Nations leadership want, you would know and you would be well aware they wanted to at least have the conversation on changing the ownership of the two casinos that the government runs. And that conversation couldn't even take place because your party was totally opposed to it.

So we can continue this conversation but I am quite sure that FSIN and First Nations leadership will have the appropriate conversation with the appropriate government personnel and ministers on what they would like to see in the reopening of the agreement, revisiting the agreement, and if there are changes made, what they would like those changes to be.

**Mr. Belanger:** — Thank you so much, Madam Minister, for opening that door. I was pleased to see the Chair allowing that particular information to flow forward. And certainly, I would like to respond.

Now, Mr. Chair, there's no question about it that we are aware that the First Nations were keenly interested in acquiring the two casinos at Moose Jaw and the Regina casino. And those discussions were ongoing with the current government. And it became quite confusing to us as to why the current government would insist the NDP [New Democratic Party] bless these particular deals. And I would suggest at the time, Madam Minister, that you were simply trying to play off the First Nations and the NDP on that particular file.

We didn't buy it. The First Nations were quite keenly aware of the political foolhardiness of what you were trying to do, trying to divide and conquer the First Nations people and us as a political party. We were only too aware of that particular exercise. And it is quite insulting in fact to see how in this case not only the government but the Premier played politics with that particular issue.

Now many of the First Nations leaders that we spoke to, they talked about the need to address youth suicide. They talked about the need to address poor infrastructure in our northern communities. In particular, they were urging the government to address the things around housing shortages, of very dangerous highways, and of an array of other issues plaguing our First Nations and our Métis community.

And during all the discussions around those issues, the government comes along with their 51-member caucus saying, oh we can't do this until the NDP bless this. And we only had 10 members. Now what was that about, Madam Minister? That was just playing silly politics. And I reject the premise of that statement you made that we were playing politics with this. I would suggest, Madam Minister, that you guys were playing politics with this whole gaming agreement, in particular the Regina casinos, in Moose Jaw as well. And as a result of that, we met with the First Nations . . .

**The Chair:** — Members, I'll cut in. I'll cut in. I will . . . [inaudible interjection] . . . No, I let each of you make a political statement. And I'll remind both of you right now that we were going to move back to supplementary estimates. I let each one of you make a political statement. You've made it. Now we will move back to supplementary estimates and work

on that. This is what is in front of this committee. There is other avenues to carry on this discussion for each one of you. So I will ask the member now, Mr. Belanger, to ask a question that deals with the supplementary estimates.

**Mr. Belanger:** — Well thank you very much, Mr. Chair. The other question I have as it relates to the discussions around the Lloydminster casino, how much involvement does your ministry, under the First Nations and Métis portfolio, lead and participate in some of those negotiations around Lloydminster?

**Hon. Ms. Harpauer:** — None.

**Mr. Belanger:** — So as a result of any expansion, as First Nations and Métis relations minister, you have absolutely no involvement with any aspect of the expansion of the Lloydminster casino.

**Hon. Ms. Harpauer:** — No.

**Mr. Belanger:** — And currently is there any timeline in which you're aware that the casino is wishing to open its doors? Is the ministry advised of any of those details?

**Hon. Ms. Harpauer:** — No.

**Mr. Belanger:** — Well, Mr. Chair, that's all the questions I have for today.

[16:15]

**The Chair:** — Thank you. No questions? On seeing that there are no questions, we will now carry on with the vote. We're on vote 30, Government Relations. It's on page 13. The vote is First Nations and Métis engagement, subvote (GR12) in the amount of 4,001,000. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Also public safety, subvote (GR11) in the amount of 24,193,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Government Relations, vote 30, 28,194,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2017, the following sums for Government Relations, the amount of 28,194,000.

Ms. Nancy Heppner has moved the motion. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. That being all the . . . the consideration being done of the things that were brought before this committee, I would ask a member to adjourn the committee.

Mr. Eric Olauson has so moved that this committee now adjourn. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. The committee stands to the call of the Chair.

[The committee adjourned at 16:16.]