

EVENING SITTING  
COMMITTEE OF THE WHOLE

Bill No. 34 —The Film Employment Tax Credit  
Amendment Act, 2003

Clause 1

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

**Hon. Ms. Crofford:** — Thank you very much, Mr. Chair. This evening, with me is Dawn Martin, executive director of culture and heritage for the Department of Culture, Youth and Recreation.

**The Deputy Chair:** — Thank you.

**Ms. Eagles:** — Thank you, Mr. Chair, and thank you, Madam Minister; and welcome to your official.

Madam Minister, in last year's amendments they extended the waiver of residency clause to December 31, 2003, and now one year later we see the film industry is asking for yet another extension to December 31, 2004. What is the basis for this extension?

**Hon. Ms. Crofford:** — The extension applies primarily to the deeming provision of the Act. And deeming means that in the instances where we've got more production than we have skilled film crew in Saskatchewan, that people who are from outside the province are able to be deemed as long as they have a training relationship with someone in the province who's training under their direction during that film production.

**Ms. Eagles:** — Okay. What specific areas of the industry have been identified as having a lack of crew available, and how will these amendments address this?

**Hon. Ms. Crofford:** — Yes. I would say it's across the board. But what differentiates our program from some of the other places that have tax credit programs is that we also deem what's called above the line, which I think you would classify generally as management — people who are producers, directors, that kind of thing — as opposed to people who are at the staff, technician level.

**Ms. Eagles:** — Madam Minister, could you tell me how many companies have been affected by this, how many have used this thus far?

**Hon. Ms. Crofford:** — Last year we administered 36 film tax credits to 18 different companies of which about 20 per cent of those actually used this aspect of the deeming provision.

**Ms. Eagles:** — Madam Minister, a while ago I believe I heard you say that managers were also part of this as well as technicians.

**Hon. Ms. Crofford:** — It goes right across all the job categories that take place in producing a film, but in some

places the deeming is only allowed to apply below the, what I would call the comparable in the film industry of the management level. In our instance we also allow deeming at the producer/director level.

**Ms. Eagles:** — Okay, Madam Minister. Does industry anticipate having enough crew or talent in place by the end of next year, 2004, that it will no longer need the waiver of residency? And isn't that basically the same argument that was used last year?

**Hon. Ms. Crofford:** — It really does depend on the level of production that's going on, and I think one of the things you'll find in Canada is because the levels of production are up right across Canada there's also a very competitive field for a film crew. So as long as the levels of production keep going up, this will likely be a continuing need.

There are film training programs at the high school level, at the post-secondary, at SIAST (Saskatchewan Institute of Applied Science and Technology). But again it's a competitive industry and it is growing right across Canada, so there's a good chance that we will continue to have need for this program for a while yet.

**Ms. Eagles:** — Okay, Madam Minister. It is obvious that the industry is having a hard time attracting and retaining qualified crew and talent for its production. What other suggestions are recommended in addition to extending the sunset clause for waiver of residency?

**Hon. Ms. Crofford:** — I think the critical thing on retention of crews . . . We actually had a period a few years back where we lost our crews because we didn't have a sound stage. So what happened was in order to work year-round they had to leave the province and some of them who left to work in Alberta and other places never came back. Now that we have a more stable, full-time, year-round industry here, we'll likely see more stability rebuilding back in our film crews.

But as well as that, like I say, the post-secondary institutions, the university, SIAST, are doing more training in these areas. There's some independent companies doing training, and as well, JobStart/Future Skills has been used to provide trained people in this area.

**Ms. Eagles:** — Thank you, Madam Minister. Madam Minister, could you please clarify for me what the amendments in section 24 will provide for and what your government's intentions are as to these amendments?

**Hon. Ms. Crofford:** — I'll attempt to answer this as my official looks for the detail, but my understanding of it is that the deeming provision would be dropped from the legislation and put into regulation so that it will be easier to either end it or continue it, depending on the actual needs of the industry, without having to return to the legislature each time to do this; keeping in mind that they can't get this tax credit unless there's actual economic activity supporting it, so there's really not much to lose in terms of continuing with this kind of a provision.

**Ms. Eagles:** — Madam Minister, so in effect, even if a waiver of residency claim is made after the closing date specified, it can still be considered for and subsequently granted for tax credit purposes, correct?

**Hon. Ms. Crofford:** — Only if in the regulations the change of date is affirmed. It would have to be affirmed in the regulations.

**Ms. Eagles:** — Okay. So does that mean that the legislation is basically open-ended? Like if you received an application in March 2005, could it still be accepted, considered, and approved?

**Hon. Ms. Crofford:** — The regulation, or the legislation, speaks to a date of 2004. It's only until we put a new regulation in that, that that date would actually change.

**Ms. Eagles:** — Okay, so you will specify . . . You will have a certain date specified in the regulations. Is that what you're saying, Madam Minister?

**Hon. Ms. Crofford:** — Yes, that's the case.

**Ms. Draude:** — Thank you, Mr. Chair. Madam Minister, I heard you mention that you had people that were considered management or above-the-line personnel that were considered eligible for this tax credit. Could you explain that a little bit better to me? Does that mean that the owner of the company could actually receive the tax credit?

**Hon. Ms. Crofford:** — Now just to be clear, the deeming provision only applies to people from outside the province, so if it's an in-province company they wouldn't have to worry about the deeming provision. However, it's only for the hiring of personnel related to the production of a particular film, not a generic coverage of a position or anything in the particular company. So it has to be those people who on the film credits would appear as being part of the production of that specific film.

**Ms. Draude:** — Thank you, Madam Minister. I heard you mention, and I believe there was 18 companies involved in 36 productions, so that would mean that a company would probably have a couple of films during the year where their crews and part of their management had part of their wages paid for through this film tax credit. Is that correct?

**Hon. Ms. Crofford:** — It is a tax credit that's paid against the wages of Saskatchewan residents that are paid, and in the case of the deemed individuals, people who are deemed to have been necessary in order to produce that particular film.

**Ms. Draude:** — Madam Minister, is it your department that decides that this person is deemed to be necessary to produce a film, or is it the managers, the owners, the person who is the above-the-line people have determined that these people are necessary?

**Hon. Ms. Crofford:** — Yes, this was my understanding, but I wanted to check to be absolutely sure. SaskFILM, the film producer, and the union have to sign that they agree that the deeming is necessary, and they also have to sign that the agreed-on training plan is a legitimate training plan.

**Ms. Draude:** — So could an employee, one specific employee that was hired, or whatever the word may be, for a film and then that film production is completed, could the same person be getting a tax credit if he was employed in the next production that came along?

(19:15)

**Hon. Ms. Crofford:** — There's two instances where that might be the case. One is if they are a Saskatchewan resident, because it is for the purposes of creating Saskatchewan employment. But the other instance would be if they were training a different person in a subsequent film, because they have to have someone they're training.

**Ms. Draude:** — So, Madam Minister, when you . . . when your department and SaskFILM and the production company agree, or the union I believe you said it was, agree that this person is deemed necessary, is there anyone that actually checks to see if there's somebody that actually has had a . . . that the province gets a, pays a tax credit on for the whole year because they've been employed in two or three different productions?

**Hon. Ms. Crofford:** — Each production is considered a separate commercial enterprise. And that person, if they were already trained, would not likely be deemed because they wouldn't be deemed as needing the training if they were already trained to a sufficient level to be operating independently.

**Ms. Draude:** — Has your department in fact checked to see, or do you consider it your responsibility to check and see if there would be personnel that were deemed requiring additional training from going from film A to B to C during the year?

**Hon. Ms. Crofford:** — The department does have the authority to audit both the training programs and the conduct of the training on the site, and they do do that from time to time and haven't found an instance like the one you're talking about.

But it's probably worth mentioning that, in the case of a person who's from outside the province who's in a training capacity, you might have the situation where they've trained different people, but not where the same person has been trained over and over again, because again . . . And that even would likely not happen very often because to be deemed you have to be from out of province. So they would likely come in for a project and then go away again. They would not normally be here all the time.

**Ms. Draude:** — So, Madam Minister, then we have . . . we actually have people that, if they could be considered to require further training, they could be actually employed by different productions and have their wages or salaries paid for most of the year if they are being trained further as each production goes on.

**Hon. Ms. Crofford:** — Yes. I think it's worth clarifying that because of the Saskatchewan employment component of the thing. If you're from Saskatchewan, you qualify over and over and over again whether you're being trained or not. It's the out of province that are deemed as training someone.

And again, because they're from out of province, they tend to

do a project and leave again.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 11 — The Municipal Employees' Pension  
Amendment Act, 2003**

**Clause 1**

**The Chair:** — I recognize the minister and ask the minister to introduce his official.

**Hon. Mr. Melenchuk:** — Thank you, Mr. Deputy Chair. With me today to talk about this Act is Mr. Ron Styles, the deputy minister of Finance, and we are more than willing to entertain questions.

The second reading speech was, I think, quite explicit on this one in terms of the direction of this particular piece of legislation and we look forward to the questions from the members opposite, Mr. Deputy Chair.

**Mr. Weekes:** — Thank you very much, Mr. Chair, and I'd like to welcome the minister and his officials this evening . . . or official.

To the minister, concerning Bill No. 11, the Municipal Employees' Pension Plan, what is the monetary impact of the changes being contemplated in this Bill on the employer?

**Hon. Mr. Melenchuk:** — Mr. Deputy Chair, the impact on the GRF (General Revenue Fund) is none, if that was the specific question. The impact to the plan, of course, when you're looking at the total allotment of funds within a plan, they're obviously to deal with the minor issues around recognizing the 10 months of service for the part-time employees.

In terms of pro-rating this, the impact on the overall plan would be negligible. So really the financial impact is very minimal and certainly there is no impact to the GRF with regard to this plan, Mr. Chair.

**Mr. Weekes:** — Thank you, Mr. Chair. How many employers are covered by this particular pension plan and how many are being affected by this change?

**Hon. Mr. Melenchuk:** — Mr. Deputy Chair, with regard to this pension plan, there are 752 employers and over 10,000 active members within the plan overall, Mr. Deputy Chair.

**Mr. Weekes:** — Thank you, Mr. Chair. There's a change in the composition to the commission being contemplated in this Bill. What changes will the pension plan members notice with this change?

**Hon. Mr. Melenchuk:** — Mr. Chair, what this Act does is it allows for a more balanced approach between the representatives from the employer and employee groups. This of course was a recommendation from the consultant, Mr. Terry

Stevens, who did extensive consultations with the employers and employee groups within the plan to come up with a better governance management structure that allowed for a more balanced approach to the concerns with regard to representation on the plan.

Also this Act allows for the employer-employee representative group, the board, to select its own Chair whereas in the past the Chair had been appointed by the government.

So in essence it's a more balanced approach. It's a more democratic approach to the management of this particular pension plan and certainly is endorsed by the vast . . . in fact the governance management is endorsed by the vast majority of the stakeholders that were consulted by Mr. Stevens with regard to these changes, Mr. Deputy Chair.

**Mr. Weekes:** — Thank you. To the minister, how do this plan and the changes compare to how other provinces administer their plans?

**Hon. Mr. Melenchuk:** — I think, Mr. Deputy Chair, that if you look at this particular plan, this is an extremely diverse group with at least five, four or five different union groups representative. Of course, non-unionized staff, they're provided supports for their pensions from their employers.

Numerous employee groups on the municipal side, on the school division side, — firefighters, for example — are included in this group. So if we were to make comparisons to other jurisdictions, I would suspect that this is a very unique group of employers and employees.

But the structure of the plan in terms of the governance management, the greater democratization in terms of the representative groups, and of course the administrative components would be very similar to other plans that are managed throughout Canada by and the responsibility of provincial governments, Mr. Deputy Chair.

**Mr. Weekes:** — Thank you, Mr. Chair. To the minister, I guess my next question is maybe twofold. What is the current composition and how will the changes benefit the members?

And I guess I want to use the example of employees on the Saskatchewan side of Lloydminster, on the Alberta side of Lloydminster. We live in a competitive world and provinces compete for employees. And I just want to know is there an advantage as he changes the level of the . . . created a level playing field as far as . . . to attract employees. And if not, what are the differences between Saskatchewan and Alberta or Saskatchewan and Manitoba, for that matter?

**Hon. Mr. Melenchuk:** — Well thank you, Mr. Deputy Chair. With regard to the employers' groups, there's the Saskatchewan Urban Municipalities Association; the Saskatchewan School Trustees Association; the Saskatchewan Association of Rural Municipalities; Rural Municipal Administrators' Association of Saskatchewan; the Saskatchewan Association of School Business Officials; the Urban Municipal Administrators' Association of Saskatchewan; and representatives of the regional colleges. So those are the employer groups. The employee groups of course have their representation to the most

part.

(19:30)

And with regard to how this would compare in the cross-border jurisdictions, such as Lloydminster and even on the closer to the Manitoba side, it is a statutory requirement of these particular employer groups to provide these pension plans. So once an individual is hired by a particular employer then it's a requirement that they participate in the plan and that the employer also participate in the plan.

We believe that because of the nature of these defined contribution plans that they are competitive in cross-jurisdiction analysis. So really it comes down to if you're an employee of the Saskatchewan School Trustees Association working in Lloydminster, then you would — in an administrative capacity or otherwise — then you would be under this plan, Mr. Deputy Chair.

**Mr. Weekes:** — Thank you, Mr. Chair. My next question is, can you explain the consultation process leading up to the change in the commission we are considering here? And also could you elaborate on did the pension plan administrator put forward any recommendations as far as these changes?

**Hon. Mr. Melnychuk:** — The consultant that was hired to provide the consultation proceeded to meet with stakeholders across the province from October 2001 to April 2002. Subsequent to those individual stakeholder meetings there was a joint meeting of all stakeholders in May 2002 where there was an opportunity for all groups to see different perspectives from the various groups that had been consulted.

Once the consultations were completed and the joint meeting had been completed, then basically the consultant provided a report. The report was widely circulated to the stakeholders that had been consulted and also to the administrator of the plan, which is PEBA (Public Employees Benefits Agency) in this case.

Once the report had been produced, the recommendations were provided to PEBA. These recommendations by and large to the vast majority, based on the consensus of the stakeholders, were incorporated to the Act that we have before the Assembly today, Mr. Deputy Chair.

**Mr. Weekes:** — Thank you, Mr. Chair. To the minister, were further consultations on this Bill taken with the view to possible changes after the Bill was introduced earlier this session? And were the concern raised after you introduced the Bill?

**Hon. Mr. Melnychuk:** — Thank you, Mr. Deputy Chair. Since this piece of legislation was introduced and second reading done in May of this year, I had been approached and the department had been approached by one of the employee groups, one of the unionized representatives who were asking for further changes. However there was no consensus amongst the majority of the stakeholder groups, employee and employer representatives.

So really the Act does not go far enough in terms of what would have liked to have been seen by this particular employee group,

but certainly meets the consensus requirement that the consultant had recommended. So there is one particular group that would have liked to have seen further refinements to this particular Act in terms of their plan, but it did not meet the requirement in terms of a consensus approach, Mr. Deputy Chair.

**Mr. Weekes:** — Mr. Chair, I'd just like to thank the minister and his official. That's all the questions we'll have at this time.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

**Hon. Mr. Melnychuk:** — Thank you, Mr. Deputy Chair. I'd just like to thank Ron Styles for being with us this evening and for the opposition members for their questions with . . . regarding to this Act. And with that I would move to report the Bill without amendment, Mr. Deputy Chair.

The committee agreed to report the Bill.

### **Bill No. 36 — The Agricultural Safety Net Amendment Act, 2003**

#### **Clause 1**

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

**Hon. Mr. Serby:** — Thank you, Mr. Chair, and my officials with me tonight are . . . next to me is Mr. Hal Cushon, who is the assistant to the deputy minister. To my immediate left is Mr. Doug Matthies, who is the general manager of crop insurance. And directly behind me is Mr. Rick Burton, who is the director of policy branch. And right beside him is Mr. Dave Boehm, who is the director of financial programming. Those are my officials, Mr. Chair.

**Ms. Harpauer:** — Thank you, Mr. Deputy Chair. I want to thank the minister for coming tonight, and his officials. And the first question that I have is, when does he tentatively plan on signing the agriculture policy framework?

**Hon. Mr. Serby:** — Well, Mr. Chair, to the member, I have been consulting with my colleagues across the country. As you know, Alberta has already signed the agreement a couple of days ago, or probably a week or so ago now. On Friday, British Columbia signed the agreement. I'm anticipating in speaking with Ms. Wowchuk who is now back and is the Agriculture minister, that Manitoba will soon be signing the agreement. Newfoundland-Labrador has already signed the agreement. And I'm anticipating to hear probably within the next couple of days from the Maritime provinces who are also interested in signing the agreement.

My timeline was to wait until probably the ministers' meeting in July. We're meeting in Manitoba, the first week in Manitoba — first week of July in Manitoba as opposed to the first of Manitoba in July — and we'll be then giving consideration for a signing likely in the early part of July, is my intent.

**Ms. Harpauer:** — Can the minister tell us if any compensation

that may be negotiated with the federal government for the cattle industry due to the BSE (bovine spongiform encephalopathy), is it contingent upon him signing the APF (agricultural policy framework)?

**Hon. Mr. Serby:** — Well initially — this is a very good question that the member asks me, Mr. Chair — initially it was certainly rumoured that the federal government would be insisting that provincial administrations would have to sign the implementation agreement in order to receive any compensation, if compensation were being made.

In fact in the early life of the discussions, the federal government said to us that the package would be administered through NISA (Net Income Stabilization Account) and the funding would be delivered through NISA, which we all as provincial ministers and then the premiers' option, with the industry, said that that wouldn't work and that NISA should not be the vehicle in which to deliver the compensation package.

If there was some pleasantries exchanged at the meeting on Friday, it was the notion that the program would not be attached to NISA.

Now I think in a compensation package when farmers go to do their accounting for the course of the year, and then make application for their NISA payments, what will happen is that the compensation package will be accredited as income to the farm and then would show up then in the evaluation of what your NISA payout might be.

But clearly the federal minister did not suggest at all that we would need to sign the NISA agreements in order to receive the compensation packages. And I expect within the next day or so when we actually have another conversation with the federal minister, as they get prepared to roll out their overall package, there will be no mention that we'll need to be tied to the NISA. My sense is that we will not be.

**Ms. Harpauer:** — Can the minister tell us, if he indeed signs the APF in July, which tentatively he may do, when does the new NISA kick in? When does it take place?

I know I've already received my NISA forms. So what happens to the old NISA, the existing NISA program? When does the new program kind of take over? How soon are we being expected to withdraw funds from the old NISA?

**Hon. Mr. Serby:** — Mr. Chair, the forms that producers are getting now, they're really applying for 2002. The new NISA would really be . . . It would take effect for the year 2003 but would be effective 2000 . . . or would be effective 2004.

The member might ask the question, I expect, in follow-up to what happens to the accounts that are currently in place. The federal government is recommending and suggesting that they, that those accounts be exhausted over a period of five years. And the process for that is still currently being sorted out amongst the officials and amongst the ministries.

So the current application forms that we're receiving today as producers are really for our 2002 agricultural year.

**Ms. Harpauer:** — Can the minister tell us, when the old funds are exhausted over the course of five years, which is what I've been hearing as well, what is the income tax implication? Because of course a huge part of business management is to manage your income, your expenses accordingly. If you took the funds out in one sum in any given year, much of it would be clawed back in income tax.

Is there any way that . . . or any protection for the producers as they take this money out, for the income tax implications? Can they roll it straight from the old NISA to the new NISA with no income tax implications?

**Hon. Mr. Serby:** — As the member will know, that there is the producer account and the government account and what will happen is that over a period of five years, those accounts will be exhausted equally at the same time. And what will happen is that, because the producers have already paid the tax, there won't be any tax on that account but there'll only be a tax on the . . . only on the money of which the government has contributed over the years. So then that will occur in the given years.

(19:45)

**Ms. Harpauer:** — Can the minister tell us if there is any particular producer group in all of the agriculture sector that's endorsing the APF and encouraging him to sign it?

**Hon. Mr. Serby:** — I think the livestock industry, particularly the cattle industry, and I expect the hog industry, would be one sector that would be favourable to signing the implementation agreement. There is clearly some very visible and vocal groups like the agricultural . . . APAS (Agricultural Producers Association of Saskatchewan) producers who believe that we shouldn't yet be signing the agreement. SARM (Saskatchewan Association of Rural Municipalities), Mr. Neal Hardy, clearly is one of the people who has been quite vociferous on this front who believes that we should be signing the implementation agreement.

And there are a variety of individuals who provide me advice, both in the favourable and in the negative, about signing the agreement. So this is a mixed bag of people who believe that we should sign it versus people who believe we don't sign it.

Clearly, the new problem that we're dealing with in agriculture today with the BSE is one where people are looking for protection down the road, and so there is some interest here. And your earlier question about . . . at the end of the day will there be an expectation here that we have some kind of safety net for producers as we head into the new year? There's a sense here that we'll need to have it, and if the federal government and the provinces are finished their negotiations, then without signing the agreement you don't have any protection for the producer groups.

The other important piece here is that I know you're familiar with because you talked about it to the press recently, and that is that as we move ahead with this BSE issue there'll be a number of requirements that governments will need to attach themselves to in terms of ensuring that we have higher environmental standards — in my view, and I think in that of

the national government — and that there will be higher standards that will be required for surveillance in the food safety area.

And in the next couple of days when we get an opportunity to see the report from the international community, or in the next little while when we get the opportunity to see the information from the international community, we'll see I think a list of expectations that we'll need to meet. And in order to meet them, you'll need to put them into the new categories of food safety, science and technology, and environment. And to each of those pillars there will be federal attached money, and the only way you'll get it is by signing the implementation agreement.

So to some degree in order to move ahead in meeting the kinds of standards that will be necessary, I think it will be important for provinces to sign the agreements. And I think that's the argument that Alberta is making already; that's the argument that British Columbia has just recently made, that in order for us to ensure that we have a high standard of delivery of the food system, that the implementation of the agreements will be necessary.

**Ms. Harpauer:** — I thank the minister for that answer. And I know the minister has told me before but the unfortunate part is that we are being requested to sign the agriculture policy framework in its entirety and not each package separately which would be kind of . . . Well it's very important, quite frankly, because there is areas, I agree with him, that are quite essential, and the major concern seems to come in the area of the risk management envelope.

Concerning the risk management envelope or the new NISA, the minister said, and I've read literature on it and listened to what Mr. Vanclief has said, that the allocation of the federal funding will be on demand-driven basis, and so that means that the pool of federal money to producers will be based on participation and the national programs will not be based on the relative size of the agriculture industry — which is a positive sign, I do believe.

But what happens if the funding, because there is sort of one sum of funding that Mr. Vanclief is saying is going to be the risk management envelope of the agriculture portfolio, what happens if that funding is used up, if the demand or the need uses the funds in the first two to three years? Then what is the backup plan here?

**Hon. Mr. Serby:** — Well this too, Mr. Chair, is a very good question that the member asks. And when we attempted to negotiate with the federal government and some of my colleagues across the country, our greatest interest was to make sure that first the pool of money that we're working with would be increased.

As you know, we're working with \$1.1 billion. And what will happen is that — to your question — is that if in fact we were to have a disaster in Canada that were equally applied across the country, clearly the fund would be exhausted. And what would happen then of course is that the national government would pro-rate the level of funding that would occur across the country because you have the limited pool.

And so what we were suggesting in the signing of the implementation agreement is two things that should happen. One is that we should continue to press for trade injury into the future because that \$600 million per annum ends this year. And so . . . and the goal forward beginning 2004, we should be working with our colleagues across the country and the federal government to try and get that \$600 million back on the page.

And secondly, we should be talking to the federal government in the weeks and months ahead here about indexing the safety net, so that it isn't capped at 1.1 billion, but that it increases over the years so that we can make the kinds of adjustments that will be necessary.

If we're not able to convince them to do that then it will be the pro-rating. And what will happen of course is that if you get a national disaster that applies across the country in a significant way, then you use the pool of money that you have and then you pro-rate it against each of the claims that you have, which could reduce the amount of coverage that people would get. Now hopefully that won't be the case but clearly that that option remains out there.

**Ms. Harpauer:** — There's a couple of the details of the new NISA program that's being proposed that . . . You know there's been so many questions that haven't been answered and there's terms used like, it will give deeper coverage, and I believe I understand how that works. But I would like the minister to explain what is meant by deeper coverage. How is this going to give the producers deeper coverage and how is the advantage of that?

**Hon. Mr. Serby:** — Under the old CFIP (Canadian Farm Income Program) program the margins were at . . . covered about 40 per cent of the total revenue. Under the new NISA program, the coverage now is about 60 per cent of the total revenue. So when they talk about it being deeper you can see that under the previous program it was at 60 per cent. Currently it's now — under the new suggested NISA safety net — it's at 60 per cent. And that's a simplified sort of version of what we talk about when we talk about the deeper coverage.

**Ms. Harpauer:** — Originally the federal government said the new NISA would not be covering negative margins. Has that changed?

**Hon. Mr. Serby:** — Mr. Chair, that hasn't changed under the new program either.

**Ms. Harpauer:** — One further question. The new NISA, in a lot of the explanation that I've seen from the federal government — and they give an example — and the suggestion is that the producer would have to put 26 per cent in the program in order to receive 100 per cent coverage. Has that changed?

Twenty-six per cent is relatively steep, quite frankly, for a protection program. I realize that it's not paid annually, which is a positive thing. But nonetheless it's going to be somewhat difficult for a lot of the producers to get their 26 per cent into the program, particularly after a number of depressed years, both in price and due to the lack of production because of the drought.

So does that still remain at 26 per cent? Is it solid or is it still negotiable and subject to change?

**Hon. Mr. Serby:** — The answer, Mr. Chair, is that it still is at the 26 per cent; they haven't moved from that point. But there are some negotiations, of course, that are taking place in terms of how you might seed the initial portion and the . . . To arrive at the 26 per cent full seed, you have a period of three years to get to it. And there's some discussions that are going on with financial institutions right now to see if you might be able to take a loan against that and then seed your NISA account from that perspective. And then of course as a producer, we can claim it back as an expense on our tax.

**Ms. Harpauer:** — Can the minister tell us what's left to negotiate on the new NISA program?

**Hon. Mr. Serby:** — Mr. Chair, did you ask the question about what's left on the APF or of NISA? . . . (inaudible interjection) . . . APF?

What is left is the administrative process in terms of how the program will be administered across the country, and there's still some discussion that's going on about the linkage between crop insurance and NISA. So there's some work being undertaken on that front yet which we think would be very helpful from the point of view of being able to look after the negative margins which crop insurance would assist in.

**Ms. Harpauer:** — I thank the minister. It was suggested to myself from some Manitoba producers that perhaps the federal government would look at the producer paid portion of the crop insurance premium being considered an expense.

Was the minister aware that that was being requested by any of the provinces, and does he endorse that suggestion?

**Hon. Mr. Serby:** — Mr. Chair, my officials tell me that they believe that it already is a cash expense that the farmer claims against his crop insurance — his crop insurance premium.

**Ms. Harpauer:** — I would just like to clarify that. The farmer-paid portion of the crop insurance premium is considered an expense for the margins for the new NISA?

**Hon. Mr. Serby:** — Mr. Chair, my officials tell me that it is an eligible expense.

**Ms. Harpauer:** — I thank the minister and his officials, and I have no further questions.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

The committee agreed to report the Bill.

### **Bill No. 37 — The Crop Insurance Amendment Act, 2003**

#### **Clause 1**

**The Chair:** — I see the minister has no new officials.

**Ms. Harpauer:** — Can the minister tell us how the changes being made in this Bill will benefit crop insurance? What kind of enhancements . . . or are there any enhancements that will kick in with this Bill?

**Hon. Mr. Serby:** — There are sort of two objectives of the crop insurance program of which the changes we think will be significant. They're on these areas, and I might just read them into the record.

For the future flexibility of program design, this producer is saying that one size doesn't fit all and to be able to explore a variety of new insurance products and ideas. Looking at the weather-based derivatives may or may not be the answer but it opens the doors for some creative thinking here on the way in which we'll do administrative expenses into the future.

And we'll be looking at replacing the current individual coverage programs . . . (inaudible interjection) . . . Not — sorry — not looking at, not looking to replace the current individual coverage programs for producers who like that product.

(20:00)

And then the rest will just be administrative changes, housekeeping, where we'll do things like Sask Justice has suggested, that crop insurance would be improved if additional specific authorities be provided and that crop insurance generated about \$228,000 in revenue from services of third parties.

So those are the, sort of the specific kinds of changes that we would be looking at.

**Ms. Harpauer:** — Can the minister tell us if there will be any more funding for crop insurance?

**Hon. Mr. Serby:** — The answer is that this year we had more money for crop insurance. Our share was 100 million and the federal share was 150 million.

**Ms. Harpauer:** — Yes . . . or excuse me, but under the APF, will there be additional funding for crop insurance or do we know that yet?

**Hon. Mr. Serby:** — The crop insurance program will now be a demand-driven program so if the feds . . . and we require additional dollars for the crop insurance program, then it will be our requirement then to match it. So it will be on that process of which it will work.

**Ms. Harpauer:** — Within the Bill there's mention of administrative fees. Can the minister tell us what fees these will be and what they will cost the farmers?

**Hon. Mr. Serby:** — We've had a . . . really a request from the Justice department to look at third party fees that we're not currently charging and that we should be. And so it's these . . . These are the areas of which there has been a recommendation in our proposal that we have now a charge for third parties.

**Ms. Harpauer:** — The other thing that I see is a clause within the Bill that talks about Crop Insurance entering into contracts

with outside organizations for the administration of crop insurance. Could the minister expand on that?

**Hon. Mr. Serby:** — The kind of authority that we're getting requests to enter into are these, is that the Canadian Wheat Board, we currently do some audits for the Canadian Wheat Board. Another example might be the administration of the spring cash advance. Those are just a couple of examples of where we would be involved in the kind of contract discussion that the member talks about.

**Ms. Harpauer:** — I thank the minister and his officials, and I have no further questions.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

### **Bill No. 38 — The Farm Financial Stability Amendment Act, 2003**

#### **Clause 1**

**The Chair:** — I see the minister has no new officials and so we'll proceed with the Bill.

**Ms. Harpauer:** — Thank you, Mr. Chair. How will the changes that we see in this Bill protect those who are part of the feeder association as far as liability?

**Hon. Mr. Serby:** — Mr. Chair, the amendments that we're making are the ones that the feeder associations have actually asked for us to make on their behalf.

What we're doing in the legislation are two things. One is that we're clarifying The Personal Property Security Act, and secondly, we're adding administrative powers to the department that the association has now . . . will have cattle as security. Those are the two major, significant changes that we're making to the legislation.

**Ms. Harpauer:** — Did the minister consult with anyone other than the feeder association itself, and were there any specific problems that prompted the changes that this Bill will make?

**Hon. Mr. Serby:** — In respect to the clarity on the personal property securities, really the request was driven by both the lenders, the associations themselves wanted clarity, and we have, as you know, a producer advisory group that we meet and speak with on a regular basis; and so it would have been those three groups in respect to whether or not there's been any ongoing problems within the livestock program. We don't believe there has been any, but it's sort of looking forward by making amendments as we go along to improve the level of services that we provide.

**Ms. Harpauer:** — Can the minister tell us how often in the recent past the government's had to cover its 25 per cent guarantee on financing?

**Hon. Mr. Serby:** — Mr. Chair, in the year 2002-2003 we paid

out \$116,000 net. And it would have gone to nine associations my officials tell me, and it could have gone back over a period of about five years.

**Ms. Harpauer:** — There's reference in the Bill to changes to the rights to inspect records, so can the minister expand on this a little bit more and tell us how this will help the feedlot industry, and particularly those involved in feeder associations, and how the rights to inspect records will be expanded?

**Hon. Mr. Serby:** — There are really a couple of areas that are important here. One is that the importance of maybe reducing the level of financial loss that the member asked about earlier, which is the \$116,000 over that period of time that we talked about, the five years. So we think that by making these kinds of changes that there will be significant sort of improvements or enhancements. Not that there's a huge problem with it today, but it'll just simply improve the way in which we do our financial record keeping.

And secondly with the branding of the livestock too, because this then provides I think significant powers in order to have due diligence done on the individual feedlots that we're talking about here.

So it's about improving the financial for financial purposes and also a more restrictive process in terms of branding of the livestock.

**Mr. Weekes:** — Thank you, Mr. Chair. To the minister, just referring back to the 25 per cent guarantee and the minister had mentioned a hundred and sixty-some thousand dollar loss the government had to write down. What was the total amount of losses to the associations?

There's the insurance fund that would be taken first and then the individual that had lost the money. I understand the loan would try to be recouped from the individual and then the guarantee would kick in. So could you just clarify the losses and the different stages and the amounts?

**Hon. Mr. Serby:** — Mr. Chair, what we don't have is that we don't have the record that sort of dates back over each of those years that the member asks for. But what we could do is in this given year what those losses that the member talks about might be. But we don't have a method today to go back deeper than that.

**Mr. Weekes:** — Thank you, Mr. Minister. Next question is concerning actually how the new association . . . or what this Bill is intended to do. Right now we have the feeder plan where the member puts in 5 per cent. And then we have the breeder plan; member puts in 10 per cent which is the assurance fund. And you can do rollovers from the breeder to the feeder or vice versa depending on the circumstances.

Could you just explain more fully the relationship of this new change to the feeder association, how they interact among the other two . . . between the other two identities, and also how participation between existing members in one association will have with the feedlot loan guarantee.

**Hon. Mr. Serby:** — I think the difference in this legislation is



that what it does do is it recognizes that you don't need to be part of a larger feedlot operation as we have currently today. But you could actually do your lending now as an individual feedlot operator.

And it's been our view that . . . And our timing is bad, if I might say, given the kinds of difficulties that we're experiencing today with the BSE. But my interest here — and I think would be yours — is that we'll get by this particular issue, and we'll start to see again individuals who are interested in growing the feedlot industry.

And what I have been keenly wanting to do for some time, because we have a number of feedlot family operations across the province, of which I know that you'd be familiar with being one yourself I believe. What would happen, of course, here is that we could start to promote those individuals. And there are probably a couple of dozen, if what my records or what my information tells me, in the province where people would be able to move from their current size to a larger feedlot size, and currently with the direct funding levels. This would really, we think, would be helpful.

And in consultations with the industry, they tell us that by making these kinds of changes it would be useful for them in order to be able to then loan the money that they need, or borrow the money that they need, to grow the feedlot industry. And in this province you know well that there's a huge need for us to value-add in our grain side and this would be one of the ways that we think would be helpful.

**Mr. Weekes:** — Thank you, Mr. Minister. I appreciate the fact that we'll be asking — and I assume you're answering — the questions all pre-BSE situation. So I appreciate that.

I guess my question is more fundamental to this, to the amendments and how the feedlot loans will be granted — how many members are needed; the limits; the phase-in period; or if there are any, just information along how actually to set up this feeder association.

**Hon. Mr. Serby:** — Well the way in which the legislation is portrayed is that you could be one member. So if you were an individual today who wanted to get into the feedlot business, you could get into the feedlot business based on this kind of legislation that we're putting forward. We think that this is one of the ways to address those couple of dozen or so feedlots in the province today that might be running at 1,000 or 1,500 head that might want to double their operations in the province, and they could do that on an individual basis. So there's no requirement here to be part of a larger association. We could do that on an individual basis.

**Mr. Weekes:** — Thank you to the minister. Could you give me an estimate of how many feeders there are in the province, again I guess pre-BSE, but just the rough numbers that we were looking at possibly on May 20 when the BSE situation happened? And could you give an estimate of what your officials thought the sign up would be into the new feedlot plan on . . . based on those numbers; and again, pre-BSE?

**Hon. Mr. Serby:** — Mr. Chair, we have about 128 associations in the province, when that would include about then 6,000

members. We'll get a more accurate number for you, but we think that feedlots that are over 1,000 animals, we probably have somewhere in the neighbourhood of 30 to 50 such operations between the numbers of 1,000 animals.

The number of feeders that we have in the province today are roughly about 200,000 and about another 600,000 that are being fed outside the province that likely . . . and likely the largest number of those are in Alberta.

So in total we probably would have about 800,000 head that we would have feeding capacity for, if they were all in Saskatchewan.

**Ms. Harpauer:** — Thank you, Mr. Chair. Just for the interest of those who might be watching tonight, and I have been very impressed quite frankly with the citizens of Saskatchewan for recognizing and understanding the impact of the bovine spongiform encephalopathy that's been discovered in a cow in Alberta.

But I want to give the minister the opportunity for a few moments, He just described the number of associations, the number of members, the number of cattle that this involves, and he may want to further expand to how this discovery has impacted the number of jobs in our province and just how serious it has been.

**Hon. Mr. Serby:** — Well, Mr. Chair, I took a little longer because I was practising how to say BSE in its long form and it's good for you to be able to say it. So I'm going to stay with just saying BSE and to say to you, Madam Member, that there are a lot of people who are impacted by the BSE in Saskatchewan without any question.

And Saskatchewan people have been most, most appreciative of the work that has happened in this legislature, on both sides of the House I must say, in trying to find a solution to this very difficult issue. The fact that we have had about 2,700 or so head of livestock been put down in the province, we have a huge appreciation. Those of us who've been around the livestock industry for many years will know how difficult it is to part with parts of your herd or all of your herd, particularly when it's done so in an unexpected fashion as this has created for a number of farm families in the province.

Secondly, the impact that's occurred on not only the individual family farms, whether it's been loss of loss of the animals, but what's happened in communities where people have had to rally around each other to assist one another as they go through this very difficult time for those people who lost livestock.

When you take a look at the impact that it's had on the trucking industry for example and the number of people today who are unemployed, because in fact the trucking industry isn't moving in my part of the province, which is not unusual to where you live or others in this Assembly who are from rural Saskatchewan.

You can draw a circle around a 100-mile radius and probably find, you know, 15 . . . 10 to 15 auction barns that are not operating today. Many of those people who work in those auction barns are farmers. In some instances it's an additional

revenue to them. The auctioneers who work there, people who work in the yards, the people who supply feed to the auction barns either in the form of hay or grain. None of that is moving today.

Those people who are working in packing plants in Moose Jaw or those who are working in rendering plants in the province, there's been very little activity to none in some of those areas. So it's meant in some households in the province people have been unemployed now for the better part of five weeks, are carrying in some instances . . . those who have their own trucks, or those who have large capital investments in buildings or property, they're looking for ways in which they can get compensation programs.

And so it has had a huge, huge impact in this province and in this country — sorry in this country. And it's only now that we're becoming to recognize how important this industry is to our country — not just to our province, but the kind of impact that it has on us as Canadians, and clearly in this province a significant impact.

And so it's a tribute to work with the livestock industry in Saskatchewan who have been promoting, for example, their option in terms of providing some solution. It's been a privilege to work with them as we work with our national government to try to get an agreement out of the US (United States) to open our borders again.

But there's no doubt that this issue will resolve itself best by the opening of the border, and it's from that perspective that we really hope in the next few days we're going to get some signal from the US to begin to see our livestock moving again into the United States.

**Ms. Harpauer:** — I thank the minister for that. And the members on this side of the House are totally in agreement of the importance of the livestock sector and how we must work together to make this very, very awful situation as positive as we can.

So with that I have no further questions. I thank the minister. I will more than . . . or be more than happy to give him lessons on how to say bovine spongiform encephalopathy. And I want to thank his officials for being here with us tonight. I have no further questions.

Clause 1 agreed to.

Clauses 2 to 10 inclusive agreed to.

The committee agreed to report the Bill.

(20:30)

**Bill No. 31 — The Alcohol and Gaming Regulation Amendment Act, 2003/Loi de 2003 modifiant la Loi de 1997 sur la réglementation des boissons alcoolisées et des jeux de hasard**

**Clause 1**

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

officials.

**Hon. Mr. Osika:** — Thank you, Mr. Chairman. I'm pleased to introduce and to welcome here this evening: on my immediate left, Mr. Jim Engel who is the executive director, policy and planning; and on my immediate right, Fiona Cribb who is the manager of policy and legislation.

**Ms. Bakken:** — Thank you, Mr. Chair. Mr. Minister, Bill No. 31, Alcohol and Gaming Regulation Amendment Act. It appears that the main purpose of this Act . . . or of this change is to give Saskatchewan Indian Gaming Licensing the authority to regulate and the only part that the Government of Saskatchewan would play is in the appeal process. Could you just clarify that and indicate if that is correct?

**Hon. Mr. Osika:** — Mr. Chairman, to the member. This amendment is merely to allow the commission to hear appeals as is in other cases. Right now they don't have that opportunity. What it will do is provide the Liquor and Gaming Licensing Commission the authority to hear appeals from First Nations gaming licensing authorities once First Nation licensing authorities have been authorized — only once they've been authorized to regulate and license on-reserve charitable gaming. So it just allows a vehicle for appeals to be heard.

**Ms. Bakken:** — Thank you, Mr. Minister. Correct. You indicated that this is not in place at the present time. But is not the issue that Saskatchewan Indian Gaming Licensing does not have the authority yet to regulate, so there was no need for an appeal body that could hear concerns, and this is actually being put in place to enable Saskatchewan Indian Gaming Licensing to be able to regulate gaming on-reserve? Otherwise we would not need the commission to be able to hear appeals because we only have one body that is allowed to regulate today in the province of Saskatchewan, which is Saskatchewan Liquor and Gaming and they already have an appeal process.

So is this not the next step after Saskatchewan Indian Gaming Licensing receives approval to go forward and to regulate gaming on-reserve?

**Hon. Mr. Osika:** — Mr. Chairman, to the member, this is a step in preparation of and in anticipation of the licensing body to have their own licensing on-reserve.

If I might just read into the record, Mr. Chairman, in the 2002 Gaming Framework Agreement the provincial government committed to introduce amendments to the Act, as expeditiously as possible, to authorize the Liquor and Gaming Licensing Commission to hear appeals from the licensing authorities.

The amendment fulfills that obligation and will facilitate the eventual — the eventual — authorization to license and regulate on-reserve charitable gaming. So for the gaming licensing authority . . . So it's the eventual authorization. It's not there as yet, but it's in anticipation of.

So it's a work in preparation, I suppose, for sometimes down the road, if I can describe it that way.

**Ms. Bakken:** — Thank you, Mr. Minister. And I appreciate that

you have again reiterated that it's to expedite this to happen.

And I guess the main concern around this whole issue goes right back to the issues that happened prior to the 25-year agreement being signed from year 2000 with all the problems with Indian gaming and knowing full well that only 7 of the 19 recommendations have been met, and yet the government chose to go ahead and sign a new 25-year agreement. Within the 25-year agreement there is cause to go forward and work towards full jurisdiction for First Nations, and part of First Nations having full jurisdiction is that they have their own licensing body.

And, Mr. Minister, I know I've questioned you about this on numerous occasions and I do not believe we've ever had a clear answer. What does full jurisdiction mean?

Perry Bellegarde, the chief of the FSIN (Federation of Saskatchewan Indian Nations), indicates that it's the jewel in their crown. And I would like the minister to explain to the people of Saskatchewan, what does full jurisdiction in the 25-year gaming agreement mean, and then how does it tie into the Saskatchewan gaming and licensing body that is now being given the authority to go forward and to become the licensing body, and then the only part that the Government of Saskatchewan will play is in the appeal process?

**Hon. Mr. Osika:** — Thank you, Mr. Chairman. The member refers to some of the benchmarks and the progress that's been made. I regret that there's no recognition given to the significant changes that have in fact been made and recognized across not only Canada but North America, how First Nations partnerships with this provincial government has far . . . can be used as a model, not only in Canada but throughout North America.

So we believe we had . . . There were issues that were addressed; they were met. The auditor has recognized the improvements that have been made. And there are still some of those benchmarks to meet and, yes, we need to do more work on it but we are working in that direction.

Now with respect to on-reserve gaming, it is not the province's ability to authorize approval. It's still a matter of the federal government's approval on First Nations reserves.

So what we're doing is following the commitment that we made with First Nations, with our partnership, to pursue the eventual, perhaps, authorization by the federal government to allow gaming on reserves, to authorize gaming on reserves. And when that comes to pass we will have bodies in place to deal with it. Up to this point in time nothing indicates that the gaming on reserves, under the Criminal Code, is in fact a *fait accompli*.

**Ms. Bakken:** — Thank you, Mr. Minister. Mr. Minister, you indicated that there has been recognition given to First Nations across the country for their gaming in Saskatchewan. And, Mr. Minister, you also indicated that they are a model.

And I guess I take exception to the fact that you are downplaying that only 7 of 19 recommendations that the auditor referred to and reported on in the year 2000 have been met; that there is further misspending of public funds in the year 2002,

according to the Provincial Auditor, some \$550,000. And yet, Mr. Minister, you as a government have chosen to turn a blind eye to these issues and to go forward and to give First Nations even more authority for on-reserve gaming.

And not only is the general public of Saskatchewan outraged at this idea, but especially First Nations people themselves are, because there is not accountability for the dollars that are spent, firstly, as expenditures in casino gaming on-reserve; and secondly, how those dollars are spent once they are generated.

And so, Mr. Minister, you also indicated that on-reserve gaming is the federal government's . . . only allowed with the federal government's approval. The federal government gives jurisdiction to the province to regulate gaming. And the gaming agreement is signed between the FSIN and the province of Saskatchewan, not with the federal government.

And, Mr. Minister, you as a Government of Saskatchewan are not only endorsing this but you are also taking taxpayers' dollars and giving them to the First Nations, to the FSIN, to forward their goal of full jurisdiction and also to forward their goal of having . . . regulating their bodies on-reserve.

And so, Mr. Minister, I would like to still know what does the meaning of full jurisdiction mean to this government. And what are the implications for all people in Saskatchewan should it be achieved?

**Hon. Mr. Osika:** — Well, Mr. Chairman, I'm sorry. I have to take some exception with the fact that the member continues to insist that progress is not being made under our agreement with First Nations. I have a whole list of changes that were made since we worked together to determine what issues there were. Those issues were addressed. There were investigations. There were forensic audits.

And I want to send this over to the member, Mr. Chairman, because it's not fair to say that only 7 out of 19 benchmarks were met and that nothing else was done. This has been accomplished. There has been a great deal accomplished. There is more to accomplish, and we're working together to do that, Mr. Chairman.

And when I refer to right across the country, people recognize the types of associations we have. Let me just . . . a notation here of Sue Bailey from the Canadian Press talks about Casino Rama in Ontario:

Native gambling in Ontario should be as transparent as it is now in Saskatchewan, she said . . .

So, you know, it's totally unfair. And I also want to point out to the hon. member, Mr. Chairman, that every effort and every attempt — if there is some sincerity to determine what this is actually all about — there have been significant efforts made by my officials, by myself, to meet with that member and go through some of these very technical aspects that she's questioning us on this evening. But she chooses not to want to do that, so I question the sincerity in that member's comments, negative comments, with respect to the FSIN agreement that the province has signed.

Now with respect to jurisdiction, the jurisdiction clause in the new agreement was a commitment made in the 1995 agreement. It says the province will work with FSIN over the next several years to develop proposals that we can jointly take forward to the federal government on to this particular issue. The FSIN and the province will together propose to the federal government options for how First Nations people can be given a clear role for governing and operating gaming on reserves in Canada. Currently that does not exist anywhere in Canada.

(20:45)

**Ms. Bakken:** — Thank you, Mr. Minister. Well, Mr. Minister, I guess we'll agree to disagree. And I think the people of Saskatchewan will judge accordingly when they realize that the Government of Saskatchewan went ahead with a new 25-year agreement, signed it, and when the conditions that were put forward by the Provincial Auditor had not been met. Not only did they sign a new agreement but they gave more authority to the FSIN and to Saskatchewan Indian Gaming at the same time.

And, Mr. Minister, you indicated that there have been accolades about the transparency of Indian gaming in Saskatchewan and yet I have asked in this legislature repeatedly, what does full jurisdiction mean in the gaming agreement, and we have yet to have a definition. I'd ask the minister one more time.

**Hon. Mr. Osika:** — Well, Mr. Chairman, once again, slowly and deliberately, through the agreement we will agree to work on proposals jointly with the FSIN over the next number of years.

We've also agreed that when these proposals are ready, we will jointly present them to the federal government. What the First Nations is looking for is full jurisdiction on reserves which . . . It's not up to the province to allow that jurisdiction; it's the federal government.

And I hear . . . the member looking at me quizzically; she doesn't understand. Well once again . . . once again, if I'm not answering your question clearly enough, I am offering, I'm offering a meeting with the member to sit with officials to go over specifically each concern she's raised.

We have agreed in the agreement to work with First Nations to make a presentation to the federal government. Their ultimate goal is to have control on gaming on reserves. Currently the Criminal Code does not allow that. It's provincial jurisdiction.

**Ms. Bakken:** — Thank you, Mr. Minister. Mr. Minister, you keep indicating that I should meet with your officials off the record. The questions I am asking at this time are for . . . the answers for all people of Saskatchewan to hear and I'm asking them in a public forum where the answers will be recorded.

Mr. Speaker, you have chosen to work with the FSIN, but not only have you chosen to work with them towards full jurisdiction, the people of Saskatchewan are paying for this. Could you please explain why are the people of Saskatchewan paying for the First . . . FSIN to work towards full jurisdiction?

**Hon. Mr. Osika:** — Well, Mr. Chairman, I'm not sure exactly how to explain it more explicitly. Part of the agreement that we

entered into goes back to 1995, and re-signed in 2002.

The member does not need to be concerned about anything off the record, Mr. Chairman. We have been clear and upfront publicly and any comments, any explanations that are given to that member in an office outside of this chamber, we'll be happy to have them all documented and recorded and mailed out, and mailed to everybody. We have been transparent in all our works and our efforts with First Nations in this province.

Well, Mr. Chairman, I may have to . . . Even her leader, the Leader of the Official Opposition agrees what a good framework, what a good agreement we have with FSIN. Do they not talk to . . . And I'll be happy to read that into this record time and time again tonight in case the member hasn't heard that.

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

**Ms. Bakken:** — Mr. Chair, just for the record, when the minister is referring to the Leader of the Saskatchewan Party, and I believe the comments that have been read over and over again in this legislature, they were made prior to the 25-year agreement being signed, not after.

Mr. Speaker, what are the implications for the taxpayers of Saskatchewan should the FSIN receive full jurisdiction over gaming on-reserve in Saskatchewan? Will they still receive a percentage of the proceeds? Will it still go into the General Revenue Fund?

**Hon. Mr. Osika:** — Well, Mr. Chairman, I just want to . . . Once again, any of the monies that were shared with FSIN in this agreement was negotiated and agreed to. That agreement recognizes First Nations' unique and important part to the future and the history of this province, Mr. Chairman. And it certainly enhances their future in this province.

The commitment we've made with FSIN is consistent with the province's overall policy on First Nations and Aboriginal people, Mr. Chairman. This is a significant step in First Nations moving towards self-regulation.

**Ms. Bakken:** — Mr. Minister, again I'd ask you, what are the implications for the taxpayers of Saskatchewan? Will they still receive the same percentage from the gaming revenue that is now generated on-reserve?

**Hon. Mr. Osika:** — Mr. Chairman, we currently do not receive any revenue from charitable gaming on reserves.

**Ms. Bakken:** — I should clarify that, Mr. Minister — casino revenue that is generated on reserve. Will the taxpayers of Saskatchewan still receive that percentage? Will it be put into the General Revenue Fund as it is today after full jurisdiction is met on-reserve?

**Hon. Mr. Osika:** — Mr. Chairman, what the member is talking about is an event sometime, could be well into the future. Currently what happens is SIGA (Saskatchewan Indian Gaming Authority) casinos give money to the General Revenue Fund and the Saskatchewan Gaming Corporation transfers monies to the First Nations Fund.

I guess when I say that what the member is referring to will happen sometime in the future, there will be other discussions I'm sure will be necessary and other agreements when it comes to pass. It is not a process that is just within a matter of days, weeks, months, or even years.

This may take some time to evolve to that stage, and as partners at this point with the agreements we have and the options of revisiting and reviewing those agreements, that will also come to pass. So I can't give a definitive answer when that happens in the future what the arrangements may be as a result of negotiations and partnership agreements.

**Ms. Bakken:** — Mr. Minister, this is exactly the whole issue around this gaming agreement.

I find it absolutely alarming that you would stand in the legislature and tell the people of Saskatchewan that: you have signed a 25-year agreement; you have given the FSIN the right for full jurisdiction; you are also committing, I believe it's \$875,000 this year, to Saskatchewan Indian Gaming Licensing to go forward to promote this; you're also giving money to the FSIN to promote full jurisdiction; and that you stand here tonight and tell the people of Saskatchewan that you have no definitive answer to what this is going to mean when it happens. And yet it's written into a 25-year agreement.

So basically what you're telling us tonight is that the thirty-seven and a half per cent now that goes to general revenue from profits on casino for Saskatchewan Indian Gaming, you do not know where that money is going to go should they reach full jurisdiction. Would you please clarify that?

**The Chair:** — Order, order. Just to remind hon. members that in committee the rules are generally relaxed a bit, but if I do find that the word you is being overused, or is becoming pointed. I would ask that members direct their comments to the Chair.

**Hon. Mr. Osika:** — Mr. Chairman, I would first of all ask that member to withdraw the allegation that the province has given First Nations full jurisdiction on reserves. I don't know how many times I've said it. We do not have the authority to do that. It's a Criminal Code, it's a federal government matter.

I want her to make sure that the people who may be listening and who will read these comments — without question, I guarantee that — to make sure that she withdraws the allegation that through that 25-year agreement we allow First Nations people jurisdiction on reserves. That's what she said, Mr. Chairman.

**Ms. Bakken:** — Mr. Chair, I would just like to reiterate that the Government of Saskatchewan today is paying . . . has written in the 25-year agreement to allow the FSIN to work towards full jurisdiction.

Yes, the Criminal Code of Canada must be changed. But they are enabling this to happen and are actually helping the FSIN towards making this a reality. They have put it in the agreement and we are also as taxpayers paying for this.

And, Mr. Minister . . . Mr. Chair, to the minister, I would ask him to repeat again and clarify. He said that he had no definitive answer as what proceeds would go to the General Revenue Fund should full jurisdiction be reached.

**Hon. Mr. Osika:** — Mr. Chairman, we have an agreement with First Nations. We believe that we are able to work with those people. We've developed a mutual respect. I've mentioned earlier that working with First Nations people will be very, very important in as far as their history is concerned, as far as the history of this province is concerned.

Mr. Chairman, rather than sit back with our heads in the sand and not know what's happening, we have chosen to enter into an agreement with First Nations to work with them to determine the application process, if you wish, the presentation that will be made to the federal government to ensure that we collectively . . . I mean, good grief, Mr. Chairman, we're all citizens of this province: First Nations, Métis, Aboriginal, non-Aboriginal. It's absolutely important that we all work together for the benefits of all citizens of this province into the future.

So, Mr. Chairman, once again, the efforts, our joint efforts . . . yes, we've entered into an agreement with First Nations to work towards ultimately, sometime into the future the fact that the Criminal Code may be changed by the federal government allowing First Nations jurisdiction on reserves in this issue.

As we all know, First Nations are working towards self-government. Is that member suggesting that that should not be allowed to happen either?

**Ms. Bakken:** — Mr. Minister . . . or Mr. Chair, to the minister, again there has been no answer to my question. Mr. Minister, the whole issue that we are talking about tonight is accountability.

Over the supper hour, I happened to see part of a program on CBC (Canadian Broadcasting Corporation) TV. And the whole issue around the program was the lack of accountability of dollars that are flowing to First Nations, and the grassroots people having access to them or even having answers to how they are spent.

And what has happened in this agreement is now that you are telling the people of Saskatchewan is that the government that . . . Mr. Chair, the minister has indicated that they have, the government has signed a 25-year agreement and, first of all, the minister indicated that the new Act that we are speaking about tonight, Bill 31 — amendment to the Act, Bill 31 — is to expediate the appeal process.

(21:00)

And now you are, Mr. Minister, you have indicated that this is sometime off in the future and that the whole details are unknown and that the people of Saskatchewan are just supposed to say, whatever happens, happens.

And the more I hear the minister's answers, Mr. Chair, it leads me to believe that when Perry Bellegarde, the chief of the FSIN said the 25-year agreement and the full jurisdiction clause in it

is a jewel in their crown, I'm afraid that he was probably right. Because the minister is unable to clarify whether there will be any dollars that will flow, once full jurisdiction is achieved, whether there will be any gaming dollars flow to the General Revenue Fund and be used for all people in Saskatchewan. And the minister has failed to answer that.

And, Mr. Minister, I would like you now to explain to the people of Saskatchewan why it is necessary to have two bodies, two regulating bodies in the province when, as it stands today, Saskatchewan Liquor and Gaming are the regulatory body. Why are we going to duplicate this, and what are the cost implications as we go forward?

**Hon. Mr. Osika:** — Well, Mr. Chairman, our agreement with First Nations is an indication that we want to get them significantly involved in order that they may participate. We're being proactive in our efforts to meet what down the road may come to pass.

Still, I'm completely baffled here, Mr. Chairman, by that member's continuous attack on the integrity of First Nations people. She, by asking her questions, and I hope she continues to ask them because — in that fashion — because it underlines the negative, the very negative aspect that that Saskatchewan Party, that member has towards First Nation; no trust, don't trust them any more. We can't; look what happened.

Mr. Chairman, we have already come a long way. We have an agreement with our First Nations and I just want to quote from *Hansard* on May 30, 2003. I'm very, very appreciative of comments from the Opposition House Leader when he said, Mr. Speaker, and I quote:

... that's a recognition of the need for long-term stability, just as signing a long-term agreement with FSIN to provide on-reserve gaming, that's a recognition, Mr. Speaker, of long-term stability in the province, of the economy.

Mr. Speaker, I don't know if that member is individually on the attack of First Nations but it seems to be that way regardless of the efforts we make to try and explain very specifically about being open, transparent.

And I again offer, if there's some confusion about the way that I answer questions, and perhaps I'm answering the questions in a way that's confusing to people, and if that's the case I'll be more than happy, and it will be on the record — I will invite someone to come to the meeting with a recorder and record the proceedings of our meetings — because I want to very definitely make sure that my responses and our efforts in showing our confidence in working together with First Nations for the betterment of their future and all people in this province is successful.

You don't just shut people out without affording some opportunity to work together to make things happen that are good for all the people in this province — as I said before, not just First Nations, not for Aboriginal people, non-Aboriginal people, Métis, but for everybody, Mr. Chairman. This is a collective province. This is a caring province that cares for all its peoples.

We're looking for the long-term stability and future of this great province of ours. Mr. Chairman, in order to be able to do that we have to be all-inclusive. But I'm a little concerned about where that member's coming from.

**Ms. Bakken:** — Mr. Chair, well the minister is concerned about myself and the Saskatchewan Party and where we are coming from. Well I would like to clarify it for him.

Mr. Chair, the people of Saskatchewan, and especially First Nations people, are very concerned about the actions that have taken place in the last few years within gaming in Saskatchewan, whether it be First Nations or otherwise, and they are asking for openness and accountability.

Tonight I've asked the minister several questions. Two of the main questions that I've asked and have not been given a complete answer to are: what does full jurisdiction mean as far as the Government of Saskatchewan is concerned; and what will the dollars be that will flow to the General Revenue Fund should the FSIN receive full jurisdiction. And again, as usual we receive no answers.

And, Mr. Chair, I agree with the minister that this is one province, we are one people, we are all from Saskatchewan and we should be working together, not dividing; not having one body over here to look after Saskatchewan Indian gaming and another body over here to look after Saskatchewan gaming. Why can we not work together with one common goal? And, Mr. Chair, the main concern amongst First Nations people in this province is the lack of accountability for the expenditures that take place in casinos in Saskatchewan as well as where the dollars that are generated go to after they are generated.

And, Mr. Chair, the only way that Saskatchewan Indian Gaming, that SIGA has any authority to have gaming in this province is with the blessing of the province because the province is the only jurisdiction that can have gaming in the province. And they are given the authority to do so by the province. And the only thing that they can run in the casinos legally are table games. The slot machines are owned by the people of Saskatchewan and the profits from the slot machines are to go to the people of Saskatchewan. But SIGA is allowed to charge back the expenses that they incur to operate the slot machines.

Well just so the people of Saskatchewan know, there is no profit shown from SIGA's table games or from their food and beverages or from their gift shops. They show a negative balance. And so they are charging the losses against the slot machines. So the only profit that they are making is on the slot machines which are given to them by leave from the province of Saskatchewan.

And yet the minister has indicated tonight that if SIGA receives full jurisdiction ... or FSIN receives full jurisdiction for on-reserve gaming that he doesn't know if any of that revenue will ever come back to the General Revenue Fund; whether the people of Saskatchewan as a whole will have access to any of those profits.

And so, Mr. Chair, at this time I would like to ask the minister if the Ernst & Young report, which was commissioned

internally following the Dutch Lerat scandal of 2000, was ever made public. And if it has been, could he table it tonight or make it available to myself? And if it has not, why not?

**Hon. Mr. Osika:** — Mr. Chairman, I'm not certain what . . . how this relates to the Bill that we have before the committee. I really don't. I'm at a bit of a loss.

**Ms. Bakken:** — Mr. Chair, it relates directly to the Bill because the minister has indicated that they are making great strides towards meeting the recommendations of the Provincial Auditor, that he can justify to the people of this province that they could . . . why they could go ahead and sign a new 25-year agreement. He's indicated that it's fine for them to be not only negotiating with the federal government but also taking taxpayers' dollars to make possible full jurisdiction for the FSIN.

And I would like to know, if that is the case, then will he table the Ernst & Young internal audit to show the people of Saskatchewan that indeed the problems lay outside of Saskatchewan Liquor and Gaming Authority? And the people of Saskatchewan paid for this report. They have a right to know what is in it.

**Hon. Mr. Osika:** — Mr. Chair, the freedom of information Act indicates that those reports that were carried out, that were confidential, are not to be released publicly.

**Ms. Bakken:** — Mr. Chair, if Saskatchewan Liquor and Gaming Authority has nothing to hide from the Ernst & Young report and the findings that took place following the Dutch Lerat scandal of 2000, why will the minister not release his report? Why should the people of Saskatchewan have to go through freedom of information? And I believe, as the minister has just indicated, even if they did do that it would not be available. I think it is time for this government to come clean on this and to show once and for all to the people of Saskatchewan what part they played, if any, in this scandal.

**Hon. Mr. Osika:** — Mr. Chairman, the Provincial Auditor has looked through that report and has reported on it. And I trust and I believe the Provincial Auditor. I'm not so sure about the member opposite.

**Ms. Bakken:** — Mr. Chair, I take exception to that. The Provincial Auditor is the one that brought forth these issues in the first place. It is the Provincial Auditor that continues to indicate that the recommendations have not been met from the year 2000. He also indicated in his report in the fall of 2002 that Saskatchewan Liquor and Gaming still is allowing SIGA to mispend public funds. There are also problems within SIGA as to who has signing authority on cheques, how they are spending money on publicity, and the list goes on.

And so for the minister to indicate that I do not have respect for the Provincial Auditor, I think that we need to re-look at this whole issue.

I'm asking once again, if this Government of Saskatchewan has nothing to hide as far as Saskatchewan Liquor and Gaming Authority is concerned, to do with the whole issue around SIGA and the Dutch Lerat scandal, will they table the Ernst & Young

report so all people of Saskatchewan can see it?

**Hon. Mr. Osika:** — Mr. Chairman, under the freedom of information Act we are legally bound not to release it. And again that member totally does not understand the processes. And once again, I offer the opportunity, with someone to record proceedings, to make all these explanations that I've made in this House. And I'll continue to make, I offer that opportunity to sit down with officials because it seems that my responses are not being understood.

**Ms. Bakken:** — Mr. Chair, the minister's responses are not understood because there are no responses to the question. The question about the Ernst & Young report is, would the minister table it? And if he will not, it is obvious that this government is hiding the facts of what really went on to do with the whole scandal around Dutch Lerat and SIGA. And it's very clear by the Justice department's decision not to lay charges because everyone knew what was going on.

Well I guess it is clear tonight by the minister's answers that everyone that knew included Saskatchewan Liquor and Gaming and the Government of Saskatchewan of the day because he refuses to put the Ernst & Young report on the table for all people in Saskatchewan to see.

And, Mr. Speaker . . . or Mr. Chair, I'd like to ask the minister what, if anything, full jurisdiction implicates as far as the Saskatoon casino issue.

(21:15)

**Hon. Mr. Osika:** — Well, Mr. Chairman, I want to once again, slower perhaps this time, under the freedom of information Act, we cannot release that report, legally. Of course I know that member is not aware of what legal processes perhaps mean when it applies to freedom of information Act.

The Provincial Auditor, Mr. Chairman, has verified that his report captures everything of substance in the Ernst & Young report, Mr. Chairman.

And finally, the jurisdiction issue relative to the Saskatoon casino is totally unrelated.

**Ms. Bakken:** — Mr. Chair, if the minister chose to put the Ernst & Young report on the table for the people of Saskatchewan to see, he could do so. He's hiding behind . . . he's hiding behind . . . (inaudible interjection) . . . No, he is hiding behind the issue that, we don't want to put this on the table because it's a conflict.

But the Government of Saskatchewan, if they wanted to clear up the accountability issues around the Dutch Lerat scandal, would gladly lay the Ernst & Young report on the table for all to see.

Mr. Minister, I believe . . . or, Mr. Chair, the whole issue around the Saskatoon casino is relevant. The 25-year agreement is working towards full jurisdiction for on-reserve land. And the FSIN is attempting to open a casino in Saskatoon or in the area and this amendment to the Act, this Bill, is directly related to the 25-year agreement and moving forward with an appeal body

before we even have Saskatchewan Indian Gaming Licensing in place.

And I ask the minister what, if any, implications this has towards the Saskatoon casino issue.

**The Deputy Chair:** — Order, order. Why is the member on his feet?

**Mr. Forbes:** — Leave to introduce visitors.

Leave granted.

### INTRODUCTION OF GUESTS

**Mr. Forbes:** — Mr. Chair, I'd just like to take a moment to welcome three visitors up in your gallery here tonight enjoying the debate here. And I think it's appropriate that we give them a warm welcome.

So please join us all in welcoming the three guests. Thank you.

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

### COMMITTEE OF THE WHOLE

**Bill No. 31 — The Alcohol and Gaming Regulation  
Amendment Act, 2003/Loi de 2003 modifiant la Loi de 1997  
sur la réglementation des boissons alcoolisées et des jeux de  
hasard  
(continued)**

#### Clause 1

**Hon. Mr. Osika:** — Mr. Chairman, I truly regret that that member is not informed. I truly regret that.

The agreement has nothing to do with the Saskatoon casino, Mr. Chairman. I want to go back and quote from *Hansard*, and I very much appreciate the recognition from the Opposition House Leader.

Mr. Speaker, that's a recognition of the need for long-term stability, just as signing a long-term agreement with FSIN to provide on-reserve gaming, that's a recognition, Mr. Speaker, of long-term stability in the province, of the economy . . .

The minister of Gaming provided leadership in this. We may not necessarily agree with all of his leadership and all of the ways it was done, but he did step forward and do it . . .

**Ms. Bakken:** — Mr. Chair, to the minister, I believe that this does pertain directly to Saskatoon casino because of the issues surrounding the Saskatoon casino where there is a plebiscite that is going forward. Should the plebiscite be successful and FSIN are unable to go forward with their plan of building a casino in downtown Saskatoon, does this issue of full jurisdiction then give them the authority to go forward and to build a casino when and where they choose, as long as it's on reserve land?

**Hon. Mr. Osika:** — Well, Mr. Chairman, to begin with, with all due respect, this Bill has absolutely nothing to do with the Saskatoon casino, Mr. Chairman. Any casino to be built requires municipal approval. There requires to be market studies. There has to be approval given by the community, Mr. Chairman.

**Ms. Bakken:** — Thank you, Mr. Chair. Again, no answers. Mr. Chair, I would like to read into the record a quote from Randy Burton of the Saskatoon *StarPhoenix* from last December, December 2002. And I quote, and it's referring to the 25-year gaming agreement and the lack of accountability for gaming in Saskatchewan. And the quote:

All of which raises the question: if jurisdiction doesn't mean anything, why is it in the agreement?

From the FSIN's point of view, the answer is plain.

It wants complete control of casinos on reserve, wherever it should choose to put them.

The government's motivations are less clear, but it's pretty obvious the NDP would like to benefit on both ends of the equation.

Facing the growing probability of defeat in the next election, one of the NDP's emerging electoral strategies is to court the Native vote at every opportunity.

Anyone looking for proof of the government's strategy need look no further than the debate in the legislature over the past few days where (Minister) Osika has equated any opposition to a 25-year . . . (gaming) agreement with anti-Indian sentiment.

(Minister) Osika's use of racial . . . (policies) and murky definitions constitutes a new low-water mark in the government's handling of the gaming file.

Based on this performance, it's easy to believe that jurisdiction is just another word for giving away the farm.

Mr. Chair, Randy Burton could not have said it better. And the whole issue which we have explained over and over again is that we must have accountability and the people in this province that are most concerned about that are the First Nations people. And the Saskatchewan Party has championed on behalf of First Nations grassroots people who want accountability from their leadership and they want accountability from the Government of Saskatchewan and they have failed to receive that.

Mr. Minister . . . Mr. Chair, the First Nations of this province and the people of Saskatchewan are asking, when is enough, enough? When is the government going to start demanding accountability and quit giving away more and more authority when the recommendations of the Provincial Auditor have not been met and there continues to be misuse of public funds?

When are the NDP going to start speaking on behalf of the First Nations people in this province and quit playing games with the FSIN?



**Hon. Mr. Osika:** — Well there is something in that commentary, Mr. Chairman, that included things like mistrust, misspending, and how can we trust these people. That's what I gather from that little dissertation. And it's sad, Mr. Chairman.

Financial mismanagement that occurred at SIGA prior to June 2000 has been well documented. The Provincial Auditor identified issues. Problems were documented through an independent audit. The Provincial Auditor, Mr. Chairman, issued a report making detailed recommendations to address the problems at SIGA.

SIGA and SLGA (Saskatchewan Liquor and Gaming Authority) adopted all of these recommendations and have been working together — together, Mr. Chairman — to implement these changes. We've adopted . . . SIGA adopted a new board composition structure, Mr. Chairman, that includes both FSIN and provincial government board members. SIGA hired a new CEO (chief executive officer) and a chief financial officer. SIGA appointed the Provincial Auditor as its external auditor. SIGA has developed and implemented a number of key governance and accountability policies on a list that I tabled and sent over to the member.

SIGA continues, Mr. Chairman, to make progress on implementing all of the recommendations of the Provincial Auditor. Once again, it's working to implement all of those recommendations and we have made significant progress.

The Casino Operating Agreement, Mr. Chairman, signed by SIGA, also clearly sets out that SIGA must continue to meet the benchmarks set by the Provincial Auditor. This government, Mr. Chairman, has been, has been open and accountable on this file. We're continuing to work with SIGA, our First Nations partners, to ensure continued First Nations involvement in a well managed and successful casino operations here in Saskatchewan, Mr. Chairman.

**Ms. Bakken:** — Mr. Chair, the minister has indicated that the government and the people of Saskatchewan and the FSIN must work to meet benchmarks, but . . . and that is absolutely correct. But what is the penalty for not reaching the benchmarks?

The benchmarks have not been achieved, and since the 2000 auditor's report showing the misappropriation of funds, there has been further misappropriation of funds. And yet in light of all of that, the government has chosen to sign a 25-year agreement to allow the FSIN to work towards full jurisdiction, not only to allow them to do that to work with them, but also to take taxpayers' dollars and to put it towards that goal.

Mr. Chair, Saskatchewan Liquor and Gaming and the Government of Saskatchewan are the ones that are responsible for regulating gaming in this province — not SIGA. The blame lies squarely on the shoulders of Saskatchewan Liquor and Gaming and the government who have allowed this to go on and have chosen to turn a blind eye and to not make those that have the authority to run SIGA casinos, have chosen not to make them accountable.

And the First Nations people, the grassroots First Nations people who depend on the dollars that come from gaming are the ones that are being hurt by this government's lack of

integrity to go out and make sure that the expenses are accounted for and also the expenditures of those gaming dollars are accounted for. It is not SIGA's responsibility.

That's what this Bill is all about, is working towards giving SIGA the right to regulate and also and only allowing Liquor and Gaming to appeal. At this time and in the past it has been the total responsibility of Saskatchewan Liquor and Gaming and the Government of Saskatchewan to regulate gaming in this province and it is the responsibility therefore of what has gone on in the past of Liquor and Gaming and ultimately of the Government of Saskatchewan.

**Hon. Mr. Osika:** — Mr. Chairman, once again in that dissertation there were a couple of comments that were made that made outside this House might prove to be a challenge for that member. But I do want to say, Mr. Chairman, that SLGA, Saskatchewan Liquor and Gaming Authority, with all its astute and hard-working people and dedicated people are working, continue to work with SIGA as it develops and implements all its effective accountability mechanisms, Mr. Chairman, and we're working in order that we benefit all the people of this province. I take some exception to the attack on some of the people that that member has chosen to take.

(21:30)

Clause 1 agreed to.

Clauses 2 to 18 inclusive agreed to.

Clauses 19 and 20 agreed to on division.

Schedule agreed to.

The committee agreed to report the Bill.

**Ms. Bakken:** — Thank you, Mr. Chair. I'd like to thank the minister and his officials for their participation tonight.

**Hon. Mr. Osika:** — Thank you. I too would like to thank my officials. I want to thank the member for the questions. The discussions sometimes get somewhat heated, but that's the freedom of democracy and this House for open debate. And I want to express appreciation to my officials once again for their support.

### **Bill No. 35 — The Saskatchewan Gaming Corporation Amendment Act, 2003**

#### **Clause 1**

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Chairman. To my right is Brent Cotter, the deputy minister of the department; to his right is John Reid, the executive director of policy and operations; Wanda Lamberti, who is executive director of finance and administration, is behind Mr. Cotter; Keith Comstock, who is the policy manager for the department, is as well with us; Jim Engel, the executive director of policy and planning . . . (inaudible interjection) . . . there you go, okay; and Fiona Cribb is the manager of policy and legislation and sits in the second row to my right.

**Ms. Bakken:** — Thank you, Mr. Chair, and welcome, Mr. Minister, and officials. We did spend some time last day speaking about this Bill, and I just have a few more questions, Mr. Minister.

At the end of the session on June 12, you indicated that individual band members have the ability to contact their elected people the same as anyone else in the province has access to their elected officials.

Mr. Minister, I don't know if you were available to see a documentary tonight on CBC TV which indicated exactly what we were speaking about on June 12, which is that members of First Nations feel that they have no avenue to go to to request information about funds that are available to them, where these dollars are actually spent; and if they do try and find out this information that they can run into considerable challenges for themselves and their families.

I would ask you, Mr. Minister, how the changing of the fund to a trust will enable First Nations people more access to information regarding the dollars that are owed to them, and how these dollars are spent, and how they can as individuals and communities access these dollars.

**Hon. Mr. Lautermilch:** — Thank you very much. Mr. Chairman, I'm told by the officials and the process that's described for me would be very much, I think, an improvement over what we had before the trust and before this proposal was put in place, in that the trust requires that the beneficiaries would report to the bands, who would report to the trustees, who in turn report to the government. The information that the government has is accessed by the Provincial Auditor to determine the appropriate expenditures.

So I think what we have here is very much a process that has addressed a lot of concerns that you may have. I would want to say that looking on this I think the process certainly should give us all comfort that beneficiaries will have to report that they've expended the money in the appropriate fashion, that from the bands the right information has to come to the trustees.

I would want to say to the member, I'm told by my officials that there were instances just in the last year where funds were withheld because the appropriate reporting was not used and the trustees, before they would allow funds to be released to . . . in these circumstances, had to have the assurance that the money was spent for the appropriate purposes.

**Ms. Bakken:** — Mr. Chair, thank you, Mr. Minister, and that is encouraging to hear. Again, as I indicated on June 12 when I was questioning, it's good to hear that the beneficiaries of the funds will have to make an accounting for how they spent the dollars.

The question still remains, Mr. Minister, how does the First Nations person on-reserve or off-reserve have access to these dollars in the first place and then how do they as individuals receive an accounting for how the dollars are spent? It's one thing if you are in receipt of the dollars and you have to account for how they are spent, and that's a good thing. But how does the First Nations person on-reserve or off-reserve that is not receiving these dollars, how do they know what is happening to

this money? How do they know how they can access some of these dollars?

**Hon. Mr. Lautermilch:** — I think, Mr. Chairman, we went through this the other day, to a degree, although we may spend more time on it this evening and that's certainly appropriate from my perspective.

I would want to say that the First Nations have duly elected band councils and a duly elected chief who would be the recipient of funds from the First Nations trust fund, and who under the guidelines of . . . that are set out in the requirements for the specific purposes, would then put that money to work in their reserve. I would say that elected people on-reserve are accountable to the people who elect them.

I would think it's fair to say that an analogy would be that we, as elected provincial officials, are elected by people who trust us and who entrust us to appropriately spend provincial money. And that would be I think a fair analogy as it relates to First Nations governance structure.

**Ms. Bakken:** — Thank you, Mr. Chair, and to the minister. Well I hear what you're saying, but the fact remains, Mr. Minister, that First Nations people on-reserve and off-reserve are very concerned about where the dollars are actually going from gaming revenue that is supposed to go to them. And they fail to receive answers from their elected officials.

And it is no secret that many First Nations people in this province are living in poverty. And they want to know why they are not receiving any of the benefit from the gaming dollars that are generated and that flow to the First Nations. They want to know where these dollars are going and why they do not have access to them. And I do not . . . I fail to see how the changing of the name First Nations Fund to First Nations trust and what you are doing within that change is going to benefit the First Nations people of this province.

And I would like you to explain to the people of Saskatchewan, and especially to First Nations people who are listening, how is this change going to make the dollars that are flowing from gaming, how are they going to be able to find out what happens to them? How are they going to be able to access them as individuals?

**Hon. Mr. Lautermilch:** — Well I think what I would want to do is take the member opposite to some of the purposes for which the trust money can be expended and the purposes for which First Nations are charged with spending these dollars.

I would also want to say, Mr. Chairman, that these funds have to be accounted for and there has to be, to the trustees, a reporting of how the dollars are spent. I would also want to say that the purpose, Mr. Chairman, is not to be putting funds to individual band members but rather to initiatives that are good for the common goal and the common good on-reserve.

The purposes are economic development, social programs, justice initiatives, education, and education facilities. Some of them I guess would be more clearly visible to all the band members than perhaps others. If it relates to justice initiatives, I'm not sure that that might be as transparent in terms of the

expenditures as would education or an education facility.

It's easy to see a new school. It's easy to see youth programs that have been developed as it relates to cultural and spiritual development which is part of what these initiatives are for.

I think it might be better understood or better, you know, better dealt with if we're looking at an economic development. They're better explained if we're looking at an economic development initiative on a reserve. It may be the purchase, as an example, of a manufacturing facility, a small manufacturing facility, or shares in a large one. These are the types of programs that are funded under the gaming and under the trust fund monies.

But I want to say to the member that these were never designed, and the program was not designed, that you would take a per capita count of First Nations and then divide that money equally. That's not how the program has been designed. It's been designed so that we can further economic and social development, so that we can have facilities in the reserves and on the reserves from the gaming proceeds that can help to support a better lifestyle and a better education for First Nations people.

**Ms. Bakken:** — Thank you, Mr. Chair, and to the minister. Just for clarification, you indicated that it's not on a per capita basis. And yet when I asked that very question on June 12, you indicated that there would be a base of, say, \$10,000 and then that the rest of the money was divided up on a per capita basis and was paid out accordingly to each band in Saskatchewan. Could you just clarify that, Mr. Minister?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I did explain the other day that there is a base of \$10,000 and the rest is divided, and the amount is determined based on per capita as it relates to the reserve band members.

But what I want to explain perhaps a little further, when we do a per capita funding for municipalities, it doesn't mean that the money is divided amongst the people who live in that municipality and a cheque is sent to each individual person. What it means is there's a formula devised that will determine how much the global amount of dollars that would be received by that municipality.

Similarly, the trust fund and the allocation of trust fund dollars would be based on a \$10,000 base that we spoke of yesterday, and the global amount would be determined based on the number of First Nations people who are part of that reserve, who live either on or off that reserve.

But it's never . . . it never was designed, nor was it intended, that the money would be split up on a per capita basis and everyone would receive a cheque. This is for larger initiatives, social and economic development, justice initiatives, cultural/spiritual development, but for a larger, you know, a larger expenditure. If it were divided up it may be, you know, it may be that there wouldn't be the kinds of capital available to do the larger things that I believe the First Nations people are looking for.

**Ms. Bakken:** — Thank you, Mr. Chair, and Mr. Minister, for

that clarification. So you've indicated that individuals would not receive a percentage of it and that's fair. That is the way I understood it. I just wanted to clarify that.

So what is the criteria that you must meet in order to apply? If you cannot apply as an individual, who can apply? What regulation do they have to meet in order to be able to apply for funds?

**Hon. Mr. Lautermilch:** — Mr. Chairman, I want to say to the member that the process is not one where applications are received. I think it's more a matter of communities generating ideas and generating thoughts similar to what happens in off-reserve communities around this province. People in my community determined that they felt there was a need in Prince Albert for a cultural centre, for a performing arts centre.

And that idea grew into a group of people who started working with local politicians to see if we could work at finding some funds to capitalize the project. So basically it started as a thought; it started as an idea in our community and it became a reality based on that. I mean it's part of what I think communities do.

There may be a community that would feel some kind of a recreational facility — a skating rink, perhaps a curling rink — might be an appropriate expenditure. And what people do is they work together to build on that idea, to gain community support for that idea, and that would be the process that I would assume would be as appropriate on First Nations as off First Nations kinds of developments.

Communities are strong, strong entities, and they can drive ideas and they can drive thoughts. And it's rarely that one person can put together a thought or a train of thought or an idea without the support of the people who live around him or her. And these I would assume would be very much based on what the First Nations communities would require in order to enhance economic and social development in their communities.

**Ms. Bakken:** — Thank you, Mr. Chair, and Mr. Minister. If I understand you correct then, you are indicating that the dollars received by a reserve — a band — are similar or are handled the same as dollars that flow to a municipality, or to either an RM (rural municipality) or a urban municipality, and that applications are not submitted or approved.

You're indicating that the decisions are made the same as a council in the city of Weyburn, or the city of Regina, or the RM of Brokenshell, or whatever, makes a decision. They go forward with the project, they pay the expenses to see the project through to completion. And am I correct? Is that how these funds are handled or are there applications that are made for these dollars, the dollars flow in a block to that group, and then they pay the bills? I'd like a clarification on this.

**Hon. Mr. Lautermilch:** — Mr. Chairman, and to the member opposite, as I said before it's a formula funding based on per capita, and it could be that a First Nations governance structure, a band and the council, could choose to have applications put forward. They could choose to do that.

They could choose to do it by knowledge of the community. It could be that there would be a specific proposal crafted — drafted and put to the council and the chief — but that would be their decision in terms of their process. They would be the ones to choose. I think that's a responsible approach to take.

They have elected leadership on First Nations across this province and they would choose a process that would work I think best in their community, whatever that might be. It may be a written proposal; it might be a verbal proposal.

**Ms. Bakken:** — So, Mr. Chair, to the minister, then there are actual applications that people make for these funds? I'm trying to clarify whether the elected officials of each individual band determine what the dollars are going to be spent on; they pay the invoices; they have total control over the finances. Or can an individual, a company, or a group come to the band and indicate that they have an idea and they are awarded, say, \$50,000 in a lump sum, and then they go out and spend that money and after the expenditure then they give accounting for it? Which is it, or is it a mix of both?

**Hon. Mr. Lautermilch:** — Well, I mean, I think it's fair to say that the process of putting, I guess, an initiative together would be determined by the band council, by the chief and the council. Then they would look at the criteria that you and I have discussed — socio-economic development, justice, education.

But under this criteria those dollars would have to be expended. After those dollars are expended, the band and the people in that community have to report back to the trust to ensure that the expenditures were under these categories, these purposes that were set out to ensure that we can have gaming revenues support those communities in a positive way.

They will determine what the process would be and I think it's pretty clear that the different reserves, different First Nations may work in different ways, just as different communities off-reserve will work in different ways.

But what is important is that they have to fit the criteria that we outlined for you here tonight and earlier on last week and that there is a reporting mechanism to ensure that the dollars are spent appropriately under those guidelines.

**Ms. Bakken:** — Thank you, Mr. Chair, and to the minister. Well under municipal government they receive dollars from the provincial government and through other sources, through taxation. And they are accountable to their ratepayers and once a year they must file a statement of the dollars that they have received and how they are expended and that is available to all of their ratepayers within their jurisdiction.

This is the whole issue around which First Nations people are concerned is because they are not receiving an accounting of how the dollars that flow to the individual reserves are spent. That is what they are asking for, is they want to know how the gaming dollars are spent; they want answers.

I would like to know how the change from a fund to a trust is going to make that a reality.

**Hon. Mr. Lautermilch:** — Well, Mr. Chair, let me just, let me

go through this and explain it this way. The trustees require that each beneficiary provide certain reports to them that outline how the money that they received was spent. In turn the trustees must ensure that they provide each beneficiary with certain reports, and that would include annual reports, audited financial statements.

The annual reports and audited financial statements of the trust can be requested by others directly through the trustees. The reports that the beneficiaries provide to the trustees will also be accessible to the provincial government. This information would be available to the general public through the province, as permitted by The Freedom of Information and Protection of Privacy Act.

As we previously stated, the province is comfortable that the money that will be received and the necessary documentation to show how the money is spent under the more stringent reporting provisions be done. So that's the process and that's how the information could be received.

**Ms. Bakken:** — Thank you, Mr. Chair, and to the minister. So if we take an individual reserve and say they received, say \$300,000 — I have no idea what an individual reserve would receive — but say they receive \$300,000. Could each and every individual on that reserve, by asking, receive a full accounting of how each one of those dollars were spent, and by whom and for what purpose?

**Hon. Mr. Lautermilch:** — Annual reports and audited financial statements of the trust can be requested by others directly through the trustees. So they are available through the trustees.

**Ms. Bakken:** — Thank you, Mr. Chair, and to the minister. So the trustees have to release these, this information, or is it going to be accessible as in municipal government where it is mandatory that the information be given to the ratepayers, which is no different than the First Nations people on-reserve? These dollars are allocated to them and they should have an accounting. Is that going to take place, is my question.

**Hon. Mr. Lautermilch:** — And the answer is what I just explained to you. The annual reports and audited financial statements of the trust can be requested directly through the trustees. That's the process. The beneficiaries report to the trustees who will put the information forward.

It should be noted as well that the Provincial Auditor has access to the information, the same information that comes to the provincial government, so clearly there is access to the information through the trustees.

**Ms. Bakken:** — Thank you, Mr. Chair, and to the minister. Well I guess I don't see how there's going to be improved accountability because it is no different that what is happening today, is where First Nations people are asking for accountability of their leadership, and they are not receiving answers. And they want to know where these dollars are going. They want to know how they're being spent because many of them have failed to see how they and their communities have benefited. They are living in poverty, in very despicable circumstances, and they are wanting to know why there are

millions of dollars in gaming revenue which are to flow to First Nations, and they do not see the benefit of it, nor do they get an answer to how these dollars are spent.

And so, Mr. Minister, at this time, I have no further questions.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chairman. Before I report the Bill without amendment — and I will — I would like to thank the member opposite for her questions. I would also like to thank my officials for their work and their diligence on putting these amendments to what I believe to be a very good arrangement for First Nations people in our province. And with that, Mr. Chairman, I move we report the Bill without amendment.

The committee agreed to report the Bill.

**Ms. Bakken:** — Thank you, Mr. Chair. I'd like to thank the minister and his officials for their participation tonight. Thank you.

### THIRD READINGS

#### **Bill No. 34 — The Film Employment Tax Credit Amendment Act, 2003**

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

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

#### **Bill No. 11 — The Municipal Employees' Pension Amendment Act, 2003**

**Hon. Mr. Hagel:** — Mr. Deputy Speaker, I move that Bill No. 11 now be read the third time and passed under its title.

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

#### **Bill No. 36 — The Agricultural Safety Net Amendment Act, 2003**

**Hon. Mr. Hagel:** — Mr. Deputy Speaker, I move that Bill No. 36 be now read the third time and passed under its title.

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

#### **Bill No. 37 — The Crop Insurance Amendment Act, 2003**

**Hon. Mr. Hagel:** — Mr. Deputy Speaker, I move that Bill No. 37 be now read the third time and passed under its title.

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

#### **Bill No. 38 — The Farm Financial Stability Amendment Act, 2003**

**Hon. Mr. Hagel:** — Mr. Deputy Speaker, I move that Bill No. 38 be now read the third time and passed under its title.

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

#### **Bill No. 31 — The Alcohol and Gaming Regulation Amendment Act, 2003/Loi de 2003 modifiant la Loi de 1997 sur la réglementation des boissons alcoolisées et des jeux de hasard**

**Hon. Mr. Hagel:** — Mr. Deputy Speaker, I move that Bill No. 31 be now read the third time and passed under its title.

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

#### **Bill No. 35 — The Saskatchewan Gaming Corporation Amendment Act, 2003**

**Hon. Mr. Lautermilch:** — Mr. Deputy Speaker, I move that Bill No. 35 be now read a third time and passed under its title.

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

The Assembly adjourned at 22:08.



## TABLE OF CONTENTS

### EVENING SITTING

#### INTRODUCTION OF GUESTS

Forbes .....	1710
--------------	------

#### COMMITTEE OF THE WHOLE

##### Bill No. 34 — The Film Employment Tax Credit Amendment Act, 2003

Crofford .....	1695
Eagles .....	1695
Draude .....	1696

##### Bill No. 11 — The Municipal Employees' Pension Amendment Act, 2003

Melenchuk .....	1697
Weekes .....	1697

##### Bill No. 36 — The Agricultural Safety Net Amendment Act, 2003

Serby .....	1698
Harpauer .....	1698

##### Bill No. 37 — The Crop Insurance Amendment Act, 2003

Harpauer .....	1701
Serby .....	1701

##### Bill No. 38 — The Farm Financial Stability Amendment Act, 2003

Harpauer .....	1702
Serby .....	1702
Weekes .....	1702

##### Bill No. 31 — The Alcohol and Gaming Regulation Amendment Act, 2003/ Loi de 2003 modifiant la Loi de 1997 sur la réglementation des boissons alcoolisées et des jeux de hasard

Osika .....	1704
Bakken .....	1704

##### Bill No. 35 — The Saskatchewan Gaming Corporation Amendment Act, 2003

Lautermilch .....	1711
Bakken .....	1712

#### THIRD READINGS

##### Bill No. 34 — The Film Employment Tax Credit Amendment Act, 2003

Hagel .....	1715
-------------	------

##### Bill No. 11 — The Municipal Employees' Pension Amendment Act, 2003

Hagel .....	1715
-------------	------

##### Bill No. 36 — The Agricultural Safety Net Amendment Act, 2003

Hagel .....	1715
-------------	------

##### Bill No. 37 — The Crop Insurance Amendment Act, 2003

Hagel .....	1715
-------------	------

##### Bill No. 38 — The Farm Financial Stability Amendment Act, 2003

Hagel .....	1715
-------------	------

##### Bill No. 31 — The Alcohol and Gaming Regulation Amendment Act, 2003/ Loi de 2003 modifiant la Loi de 1997 sur la réglementation des boissons alcoolisées et des jeux de hasard

Hagel .....	1715
-------------	------

##### Bill No. 35 — The Saskatchewan Gaming Corporation Amendment Act, 2003

Lautermilch .....	1715
-------------------	------