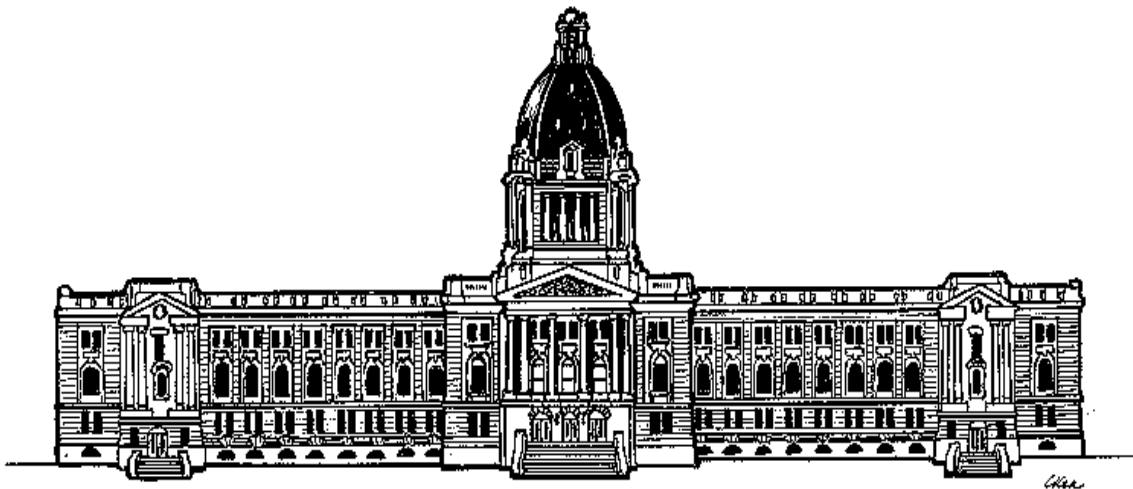




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND INFRASTRUCTURE
2004**

Mr. Ron Harper, Chair
Regina Northeast

Mr. Bob Bjornerud, Deputy Chair
Melville-Saltcoats

Mr. Denis Allchurch
Rosthern-Shellbrook

Ms. June Draude
Kelvington-Wadena

Ms. Sandra Morin
Regina Walsh Acres

Mr. Kim Trew
Regina Coronation Park

Hon. Mark Wartman
Regina Qu'Appelle Valley

The committee met at 15:30.

The Chair: — The item of business before our committee is the consideration of the estimates for the Government Relations and Aboriginal Affairs. Because it is a large, a large portfolio, we are going to be splitting it today. Today we'll be dealing with Government Relations. And we'll be considering in the Estimates book, administration, (GR01). I'll invite the minister to introduce his officials.

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

Subvote (GR01)

Hon. Mr. Taylor: — Thank you very much, Mr. Chairman. We are pleased today to be here at the Intergovernmental Affairs and Infrastructure Committee.

Sitting to my immediate left is Wanda Lamberti. She is the executive director of finance and management services. To my right is Larry Steeves, associate deputy minister, municipal relations division. To his right is Russ Krywulak, executive director, grants administration and provincial municipal relations. Behind me, Mr. Speaker, are John Edwards, executive director of policy development; Peggy Brunson, executive director of community planning; Doug Morcom, director, grants administration; and Gary Brewer, director, municipal resources and technology.

The Chair: — Thank you, Mr. Minister. I believe, Mr. Minister, you have an opening statement you wish to make, so I'll invite you to make that statement now.

Hon. Mr. Taylor: — Thank you very much, Mr. Chairman. I want to take this opportunity to inform you of some of the significant municipal accomplishments that were made by the department during the past year. The department has worked very hard to continue to improve its relationship with the municipal sector. The department is working in partnership with the municipal sector to build strong municipalities that can meet the needs of their residents and build a strong Saskatchewan.

These efforts have been very successful. A recent independent survey on the municipal sector satisfaction with the department indicates that municipal partners are very satisfied with the department in terms of consultations, information sharing, partnership initiatives, and the working relationship in general.

The provincial government has recognized the need for additional funding to support municipalities in providing services and meeting infrastructure needs. It has increased revenue sharing by \$10 million per year over the past three years for a total increase of \$30 million. This represents a 54.5 per cent increase in revenue sharing since 2001-2002. In the context of a budget year where a number of difficult decisions needed to be made, this increased funding to the municipal sector is a signal of the high level of priority that has been afforded to the sector.

The Canada-Saskatchewan Infrastructure Program has proven

to be a very popular and valuable program to support upgrades of infrastructure in Saskatchewan communities. In April we announced \$23 million in federal and provincial funds for 75 projects across Saskatchewan. Including the announcement of previous years, the program will have invested more than \$107 million of federal and provincial funding since 2001.

Investment in water and sewer infrastructure remains the highest priority for the program, and our CSIP (Canada-Saskatchewan Infrastructure Program) partners at the municipal level have seized the opportunity to apply to upgrade their water and sewer infrastructure through this program. During the five years of the program, the combined federal, provincial, and municipal contribution will result in more than \$134 million being invested in 267 water and sewer projects.

Infrastructure investment will remain a priority in the years ahead. The department is currently undertaking discussions with the federal government in order to capture for Saskatchewan federal government funds under two new infrastructure programs.

In response to the Boughen Commission's recommendations that greater stability is needed in the assessment system, the education sector will now provide annual funding to the Saskatchewan Assessment Management Agency — SAMA. 750,000 will be provided in '04-05, with an additional increase of 875,000 in the following two years, for a total incremental amount of 2.5 million by 2006-07. Also, the education sector is now a participant on the SAMA board.

Assessment roll processes will also be changed to strengthen the integrity, transparency, and accountability of the assessment system as a whole. We will introduce legislation into the House this session to implement these changes.

The department provided SARM, the Saskatchewan Association of Rural Municipalities, with \$50,000 in 2002-03, and another 16,000 in '03-04 to establish a grant to help rural municipalities with costs related to restructuring. Also, through partnership with the municipal associations, the department facilitated the preparation of a guide to voluntary municipal restructuring. This guide will build stronger local communities and assist municipal leaders in voluntary municipal restructuring.

In partnership with SUMA (Saskatchewan Urban Municipalities Association), the urban municipalities association, and SARM, the rural municipalities sector, a new municipal forum has been launched to provide a process for the provincial government and the urban and rural municipal sectors to collaboratively work together to coordinate and address key municipal issues.

The department is working with SARM on an initiative to remove municipal impediments to rural economic development. Amendments to The Planning and Development Act, 1983 have been introduced into the House this session to streamline processes the industry uses to lease surface land, and thereby encourage increased development of oil and gas in the province.

The department is working with the Department of the

Environment in a review of the Great Sand Hills land use strategy, resulting in a draft report currently being reviewed by the public. This report will provide guidance for provincial departments and agencies in the management of development requests and environmental protection within the Great Sand Hills.

Significant progress has been made on a review to consolidate the urban and rural municipal Acts that will provide additional powers to local governments as provided in The Cities Act.

Working with the municipal partners, a number of new technology initiatives have been undertaken that will improve services to municipalities. This includes working with SaskTel in the continued expansion of the broadband wireless system for high-speed Internet which will benefit small urban centres and surrounding rural areas.

Also a pilot project was launched to establish a network of video-conferencing facilities in northern Saskatchewan. To date, eight facilities from Creighton to Beauval are online and in active use. Based on the success of the pilot, more locations will likely be added to the system.

So I would say in summary, the department has been extremely active in advancing our goal for respectful, effective municipal-provincial relationships that strengthen the quality of local governance for the benefit of Saskatchewan residents.

We have increased revenue sharing and supported infrastructure investment, making a financial commitment to help municipalities in their endeavours to provide services to their communities. We have advanced legislative amendments providing greater autonomy to municipalities while also ensuring public interests in an effective provincial-municipal relationship are maintained.

We've strengthened our working relationship with the municipal sector and have made significant advancements in using technology to provide assistance to municipal administrators on matters such as land planning, bylaw processes, and financial reporting requirements.

Mr. Chairman, thank you very much for the opportunity to provide some opening comments to the committee. And I look forward to answering questions on the estimates relating to municipal relations.

Some Hon. Members: Hear, hear!

The Chair: — Thank you, Mr. Minister. I recognize Mr. Bjornerud, Deputy Chair of committee.

Mr. Bjornerud: — Thank you, Mr. Chair. And I want to thank the minister for his opening remarks. I might add to that, Mr. Chair, that probably we may not agree with all the remarks made. I think he talked about the increase in funding in the last three years, and the minister is right. But if we go back to 1990-91, the funding for municipalities has certainly dropped from that period and now is starting to go back up. So it has a long way to go, Mr. Chair.

Mr. Minister, I also want to welcome your officials here today.

I want to thank them because I think the new set-up we have in the committee, where the officials even are welcome to answer on your behalf if there is some explanation, I think is a good step forward and I hope we would continue with that trend today.

At that point I'll have some questions later, Mr. Chair. But I would like to turn over to my colleague from Last Mountain-Touchwood.

The Chair: — I recognize Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair. Minister, my questions that I have today surround the area of subdividing a property, and particularly subdividing property in rural Saskatchewan since my constituency is as rural as any constituency you will find, with my largest town being some less than 800 people.

And it's been brought to my attention by constituents, particularly rural property owners — people owning farm land — that the whole process of subdividing, a simple subdivision such as subdividing an existing farmyard from the home quarter, seems to be a somewhat onerous and at the very least a very lengthy process.

I wonder if you could just briefly outline the process that happens once an application to subdivide is received by your department.

Hon. Mr. Taylor: — I will likely turn to one of my officials for a very specific answer to your question. But by way of introduction, I have to take in a couple of comments with regards to Mr. Bjornerud's remarks, simply because I think he makes a very good point that in 1991 the provincial government and the municipal governments were very active as partners in providing services to people in the province of Saskatchewan.

But I think everyone is aware that 1991 was a . . . and '92, '93 were significant fiscal challenges for the province of Saskatchewan and revenue sharing was indeed reduced considerably at that time, as were funding options in a number of other areas. We have recognized that the municipal sector made considerable sacrifices in 1991, '92, '93 in order to assist the province to regain some of its fiscal stability and the ability to produce support for programs.

So that was one of the reasons why the government made its commitments beginning in 2001, and have since 2001 increased revenue-sharing grants by 54 per cent in the last three years. We realize that indeed we aren't back specifically to the 1991 term, but it's out of respect for the municipal sector that shared in the sacrifice after 1991 that we have begun working with them to increase that pool again. And we are grateful that they are also continuing to be good partners with us in this regard.

Now on the planning side, the subdivision side, I am going to turn to . . . Is Peggy going to . . . (inaudible interjection) . . . Or Larry. Okay, I will turn the microphone over to Larry Steeves, our associate deputy minister, municipal relations division, and he is accompanied here with Peggy Brunson, who is the executive director of community planning.

Mr. Steeves: — Thank you, Minister. The current practice is

that the request for subdivision is initiated at the department level. One of the first checks that our officials do when that occurs is to ensure that it is consistent with municipal zoning bylaws to ensure that it meets the standards that are required there. They also, of course, require a legal survey to ensure that the matter is properly taken care of.

Once that's happened, it's referred to relevant stakeholders who may have an interest in it. It's typically people like Environment, SaskPower, SaskTel, and there may be others depending on the specific situation.

Any concerns that are addressed back to the municipality and then again to the individual to sort those out and bring them forward. These are sometimes technical discussions, sometimes frustrating I think for people who aren't used to dealing with the technicalities involved with it.

I am advised that our requirements are that there's a 30-day turnover in terms of the time permitted to consider these and come back. And at the present time I am informed that that's the fastest turnaround time that would be the case of any of the jurisdictions in Western Canada.

Having said that though, as I say, these are time-consuming and sometimes I think perceived to be cumbersome because there's a need to protect local interests, interests of the municipality, provincial interests, etc., to ensure that the necessary steps occur before they go on.

If there was a need, Minister, for more specific information, we could certainly provide that in more detail though too.

Mr. Hart: — Thank you. Could you expand on the 30-day requirement? Are you saying that these reviews will take place within 30 days? Is that what you said?

Ms. Brunsdon: — Yes, that's generally what we do. Occasionally we don't get all the information we need and it has to go back either to the surveyor or it has to go back to the landowner or the developer and that will extend the time period. But if we get all the information we try to do it in a 30-day turnaround.

Mr. Hart: — Well, that's news to me because the information that I receive, and particularly from a constituent who had a very simple subdivision, it was subdividing an existing farmyard which was right in the very corner of the quarter of land; I mean, it was . . . I don't think you can get anything very much more straightforward than that particular subdivision.

The constituent tells me that it took in excess of five months from the time that the application was sent. And I should note that either the municipal council approval was sent at the time of the application or along with the application or very shortly after the application was submitted because the constituent had already talked to the RM (rural municipality) and it was just a matter of them passing the appropriate resolution at their next council meeting.

So there wasn't a delay from the municipal council side of things, but yet by the time that whole . . . that simple subdivision was resolved, it was I believe going on to at least

five months. And so I find the 30 days somewhat surprising. Perhaps this was a unique case, but it doesn't appear that there was any problems with lack of information. It was just a waiting game, as such.

And so, like how many of . . . simple subdivisions . . . You're saying you have a target. How often do you achieve that target?

Ms. Brunsdon: — We review well over 1,000 subdivisions a year. Not knowing the, you know, the specific case, it's hard to say. But generally we do meet that target. I would say well over 90 per cent.

Mr. Steeves: — We occasionally do get questions on these and we look forward to specific information, Minister, when that occurs. It allows us to run them down.

As I say, it's a complex process. Oftentimes there is some confusion in terms of how the process works. But if there are cases where there's a concern on that, we take those very seriously and would certainly do our best to resolve the outstanding issue.

Hon. Mr. Taylor: — And I might just add that the planning department, as the majority of . . . In fact I would say all of the department of municipal relations has some extremely capable people. The planning office has always provided the information to myself and my office when it's been requested.

Therefore should you have specific cases that need chasing down as the associate deputy indicated, by all means filter them through my office. Let me know. We will see if there is a roadblock somewhere. And if there is a roadblock that can be removed, we will do so.

Mr. Hart: — Thank you, Minister. This particular case has been resolved; the subdivision has taken place and so on. But I know the constituent did express concern over the length of time and, you know, indicated that really there was no delay as far as providing the information. It just seemed like the process took . . .

And the reason why I raise the issue today is because I, actually, I talked to some . . . to a firm of . . . a professional survey firm that does subdivisions. And they also raised the issue of length of delay. In fact they — I don't have any specific cases here today — but they were quite concerned about the length of delay. And in fact stated that it has been their experience that the delay factor was the main reason why certain subdivisions . . . Particularly when you have an outside investor who needs to have approval fairly quickly, within two months let's say, it's been their experience that, in fact that this timeliness doesn't happen. And I'm sure if I went back to them they could quote me a number of cases where transactions fell through and so on.

So that's why, you know, I was . . . I am under the impression that there is a bit of a problem here. Perhaps your statistics will show otherwise, but I thought it is important enough to raise it today.

There's just one further issue that I have, and I'm looking at the information sheet that's supplied with the application form. And

it indicates that the application to subdivide land should be . . . must be fully completed and signed by, of course, the registered landowner, but also a buyer or a future owner.

And I wonder why would you require that. Why would that be a requirement that if an individual . . . Let's go back to my constituent who wanted to subdivide the farmyard. And why would that individual need to have a future buyer prior to . . . you know, in order to even submit an application?

Hon. Mr. Taylor: — Thank you very much for that question. And I will answer it in two parts here, partly because I want to go back to your previous question as well and the associate deputy minister also wants to make another comment on that as well.

But we would find, for lack of a better term, unacceptable delays unacceptable. We would like to see the process proceed as smoothly as possible. And it's only when we have the opportunity to look at cases where it has not proceeded quickly that we are able to find out if there's a problem in the system. So we do have some targets. We'd like to meet those targets.

If you can bring any case to our attention, whether it's resolved or not, we can bring it into the system. We can take a look at it and find out if there's something happened there that may have an impact on a future case; that would be beneficial to us. Mr. Steeves.

Mr. Steeves: — Just to echo those comments, what we really do like to do when we have a specific concern is run it down, and oftentimes it's a clarification. Other times, if there's something that we need to do, we want to do that.

A specific comment on the surveyors. We've been working on an on-line subdivision process, and in fact our staff met with the surveyors as recently as this last month or so to talk to them about ways that we might expedite the application process. Anything that we can do to speed that process up I think is helpful. And as I say moving as we are in all facets to more electronic models, we think that we can cut a number of days off that process. So we've been working at that to address the issue.

Mr. Hart: — I guess the question that I had was, on the application form it indicates that in order to subdivide you need a signature of a prospective buyer. I mean that in itself would limit, you know, the process and probably slow it down because quite often . . . Part of my constituency is . . . Well my constituency starts at the Qu'Appelle Valley, so we have quite a number of residents from Regina that would like to live out in the country. And so there's an increasing number of property owners that are looking at subdividing farmyards that they aren't using, and realizing some commercial value from them.

And it just seems to me that if a property owner cannot apply to have that for a subdivision until he has a prospective buyer, that sort of encumbers the process. Because quite often people will make a decision, and yes, they would like to buy this property but, oh, wait a minute we can't, we can't buy it until we have it subdivided and it just, just makes the process clumsy. And I wonder why you would have that provision in there; what the reasoning is for that?

Ms. Brunson: — Again, not knowing the specific circumstance I'm not sure what the situation is. But we have some situations where there's . . . particularly where there's acreages and there's lake resorts, where in order to access one property that's subdivided you have to go through the other property. And so we need the permission of one property that they'll allow this access. That's one situation I can think of but I'm not sure if that's the one you're referring to.

Mr. Hart: — Well I guess my question stems from your information sheet that's supplied with the application, where it says, an applicant — and I'm quoting:

An application to subdivide land form must be fully completed and signed by . . .

And the first person is the landowner, and the second bullet is:

A buyer or future owner who has the owner's signature on a sales agreement.

And I guess my question is, why is that part of the requirement?

Ms. Brunson: — Well it sounds to me like they're transferring the title. So they . . . you need . . .

Mr. Hart: — But this is, I understand this is your information.

So does that mean that . . . Let's take a hypothetical case. A farmer has a, has a farmyard with buildings on, that someone would like . . . he thinks has value and he could sell the farmyard. So he would like to subdivide that yard so that if a future buyer comes along it's already subdivided. You don't have to, you know, they don't have to go through that process. It would just expedite the whole sales transaction.

The question is, can that property owner, that farmer, subdivide that farmyard out from that quarter even though he hasn't got a buyer?

Ms. Brunson: — Yes, of course he can.

Mr. Hart: — Well that was my question. Because when I saw this, this requirement here, I was under the impression that you, you would have to have a buyer before you were allowed to subdivide. So if you do have a buyer, that buyer must sign; but if you don't have a buyer, you can still go along and subdivide?

And I will take the minister's suggestion. If I have some of these people that have talked . . . Or some of these people that have talked to me, if I get their approval to raise some of the individual cases, I will bring them to your attention so that we can get a better sense of how your process is working. Thank you.

The Chair: — Thank you, Mr. Hart. Mr. Allchurch.

Mr. Allchurch: — Thank you, Mr. Chair. Welcome, Mr. Minister, and welcome to your officials today. My line of questioning is something that's been going on for four years and it is in the area of forest fringe problems.

And, Mr. Minister, I understand that in all fairness to you, if

you don't know what's forest fringe in . . . or the area or whatever's going on in there, I can understand that. Because back in the year 2000 when I started on this, this issue, the ministers didn't even know who was responsible for it.

And when I started asking questions of the Ag minister, he said that's not my portfolio, you have to ask the SERM (Saskatchewan Environment and Resource Management). I went to the SERM officials and started asking questions there and they said no, you're going to have to go to Government Relations. When I went to Government Relations, they said that's not our portfolio either, you're going to have to go back to Ag. Well it was a merry-go-round.

And that took roughly two years and still, today, we have one person in your department that understands this fully. And I'm glad to see Mr. Steeves is here today.

It was the third year when the former minister, minister from Melville, Mr. Ron Osika took this under his wing and him and I started talking and he finally said that this should be under Government Relations and I'll look after it.

So after some, quite a bit of talking, he appointed Mr. Steeves to look after it and we've had many . . . or communications with your minister regarding this. The problem I have is we're now in the fifth year and these problems still are there. Nothing is done.

So I want to bring this back to the forefront again, Mr. Minister. And if my preamble sounds a little long, it probably is because it takes a while to understand what forest fringe is and what forest fringe problems are.

Now forest fringe problems are a little area between the forestry and the agriculture and it's called forest fringe. Now this consumes about 28 RMs from the Alberta border to the Manitoba border, but only seven RMs are implementing a tax. And this is what is so frustrating.

The forest grazing people that graze cattle in those areas and have been doing it for years and years and years, it is public access property, that means anybody can go in there. It is permitted land, not lease land. And every official before has kept telling me that it is lease land and you treat it as leases. Well it is not lease land. It is permitted land only — year-to-year permit.

Now this land belongs under this jurisdiction of SERM, and SERM regulate that by permits. In other words, they think it's the fairest way to do it because if somebody wants to go in there and cut wood, they are issued a permit. If somebody wants to go in there and log or pick berries or whatever, the SERM department issue a permit to do that. These people that are grazing cattle also pay a permit.

But back in 1995, the government of the day decided that the RMs should have say over that, and so they put an amendment to the Act which gives the RM the power to charge municipal tax on that land.

And the unfortunate part about this, Mr. Minister, is that these forest grazing people are paying all the taxes for that land on a

year basis, on permitted land, and the maximum days they can utilize that for grazing cattle is 145. The last couple of years, because of the drought and dry weather, they were only able to put cattle in there for 90 days. But the point is they're paying taxes on it for one full year.

Now I can understand where the RM is coming from. They need to generate revenue, but this is the most unfair tax I've ever heard of in my life. And Mr. Osika at the time understood where we were coming from, but his comments were, it's only a small issue. Yes, it is a small issue, but remember, these people that are in that area grazing those cattle, to them it's a huge issue because once you start paying municipal tax, then you pay permit to begin with, then you're paying education tax on that. You've got no rights to that land. You can't even put a fence up because it's public access property.

The ironic thing about it, there was a gentleman in the northeast part of the province that went in there because he had some cattle that were sick. The SERM official caught him on his quad taking in a medicine gun — that's a gun that you would use to vaccinate your cattle — and he was charged with improper use and not properly transporting a gun. And it was just a medicine gun.

Yes, he went to court. He took the gun in, and it was thrown out. But that's what I mean when people don't understand the forest fringe problems.

So to your deputy minister who understands this fully, has there been any movement of change in regarding this where you're going to take this amendment off the Act and allow SERM to govern that property like they did years ago, where they do it in a fair and equitable way so that each user of that said property is permitted in a fair way, and take away the right for RMs to tax that land, that have no jurisdiction whatsoever with it and they cannot provide any services? I welcome your answer.

Hon. Mr. Taylor: — Thank you very much, Mr. Allchurch, and I'm pleased that you raised this issue and perhaps it will give me an opportunity to renew some of my knowledge of the forest fringe area.

Just by way of introduction and before I ask Mr. Steeves to comment more specifically, you will probably remember that for eight and a half years I served in the federal House of Commons. I represented an area known as the Battlefords-Meadow Lake federal constituency. It was a constituency that extended from North Battleford through to Canoe Lake and half the province, Alberta to the Prince Albert park boundaries. All of that forest fringe area through your area there, north of Spiritwood through Witcheakan to Leoville, these were all my constituents for eight and a half years; the Loon Lake area south of Pierceland and all of that area over Big River country.

I did run into issues, issues like this, although not specifically this issue because it was provincial of course and I was working on the federal issues. But it is an area that I am familiar with, not just the taxation side but just the living there, earning a living, being a part of the quality of life that is this incredibly beautiful part of Saskatchewan.

You are very lucky to be living in the area that you are because it is in one of the most beautiful parts of this country and yes, we should assist people to earn a living so they continue to enjoy that.

I don't have the specific answer, which is why I'm going to go to Mr. Steeves, who's taken a look at this. But the first thing that comes to mind is I am aware that Sask Ag and Food permits are a year-round permit, that the taxes on Sask Ag and Food land are fully taxable regardless of other revenue operations that may exist on those lands.

So there may be . . . I'm not getting kicked under the table here by my deputy, so there may be some attempt within government to remain consistent between Environment and Ag and Food. And that may be some of the difficulties that occurred in the past, but I'm pleased that the previous minister said we'll take this under our wing and we'll look at it. And I expect that Mr. Steeves has had . . . had had some look at that, and if there is some way to ensure that there are revenues generated from the production off of that land for the appropriate purposes, that we'll find a way to ensure that it's as fair as possible.

The Chair: — Mr. Steeves.

Mr. Steeves: — Thank you, Minister. I think it's fair to say that the member raises an issue which is misunderstood. And I confess, I probably shouldn't say it's a certain amount of shared concern here.

I think there are two or three issues that are probably key here. The first is the issue that relates to the control that the RM has over the taxation. The concern . . . I guess the problem we have when we run into that is in effect that we've raised the issue — I think a number of people and organizations I think have actually raised this issue with SARM — and they obviously, I think, need to represent the perspectives of their particular jurisdictions. And I think they want to maintain the ability to make a decision as to what happens in terms of taxation policy in that area. That's something that we could — I'll come back to in a minute — we could potentially explore.

We've also raised the assessment issue as another way of trying to address this issue to see if there would be some way of giving a bit of a break in terms of the assessment practice, given the fact that these people don't have full control over the property, as the member indicates — that the permitted practice that is there, there has been some real, I think, frustrating experiences for these particular people.

Because what happens: you're running cattle; somebody decides to come in to do whatever; and the next thing you've got a fenceline down. And you can't easily control the situation. So that issue had been raised with the assessment people by us to see if there was some way to address that issue. We kind of ran into another dead end there, to be honest.

The other possibility might be to explore the nature of the permitted process to see if there's any progress there. I confess that I'd become a bit discouraged, Minister, in this particular regard because it seemed to be an uphill slug no matter who we talked to. If it was your direction, I think we'd be as a department be prepared to go back and sort of address this issue

one more time with the relevant people because we seemed to hit brick walls wherever we went on this one, as I think the member knows.

I think that there are things that we could certainly raise as issue. It's a kind of issue I think that probably one needs to just keep working away at too because it's a frustrating one to address.

Hon. Mr. Taylor: — I'm a firm believer in identifying a specific problem and then attacking that particular problem. It sounds like there's a general umbrella of problems here and perhaps if we individualize it, we might do a better job.

I think that, based on what I'm hearing here, is that if we discuss the matters with the rural municipal people to begin with and then take a look at consistency with the SERM permits and Ag and Food permits, we might be able to come up with at least a solution to put forward for consultation.

Mr. Allchurch: — Well thank you, Mr. Minister and Mr. Deputy Minister. One point, Mr. Minister. When you were saying that there's some relevance in regarding the Sask Ag and Food land paying taxes on, so therefore why should permitted land? The whole idea of this is permitted land is, they don't own it; they have no right to it. Sask Ag and Food land, even if it's only on a year lease, they still have the right to that land. And that is a difference, and that is what's frustrating the grazing people. SERM owns this land, that's why they do it in a permit system. And every user of that said land pays a permit. It's the most fairest way you could ever get.

Why then did the government allow the RMs to come in and charge municipal tax or have the right to when the municipality cannot even go into that land and provide any services? They can't put a culvert in; they cannot do nothing with it. What gives the municipality or the RM the right to collect revenue off of it? If you're going to collect revenue off it in a tax form, you must provide a service. But they can't. So why is it so hard for this government to understand that the grazing people are getting taxed so unfairly it's unbelievable, and yet the department of municipal relations won't do nothing with it?

Hon. Mr. Taylor: — If that's your question, why won't we do anything with it, I think the answer is we've pulled some information together. We've been frustrated with the progress that we've been able to make, the brick walls that have existed. There's been an offer by Mr. Steeves to work on this further if there's a desire to see us do that. And we've just conferred here and we've agreed, Mr. Steeves and myself, that we will take this issue on again. And I would hope that we can report back to you in the very near future what progress is possible.

Mr. Allchurch: — Well thank you, Mr. Minister. I know we are rehashing old problems that's been here. Now this is the fifth year. The problem is though, nothing's being done.

Now I know your deputy minister, Mr. Steeves, has talked to SARM, and SARM said that they want it left the way it is. Well definitely they want it left the way it is because the RMs get revenue out of it. But my point again is, provide a service, then.

And when the former minister, Mr. Osika, said if we could get

SARM onside, we'd gladly do it; you don't need SARM onside. The cattle people weren't onside when you implemented this tax in '95, but you did it anyway. But it's unfair to the people that are grazing cattle. And still nothing is done.

The reason I'm bringing this up because at the end of May there's going to be a meeting. And something I have done is I've got the cattle grazing people from the forest fringe — and they call themselves the forest fringe grazing association — have got together and they've been working on trying to figure out this problem. They're not cheap. These people want to pay their fair share of taxes. But this is unbelievable when they're paying the full load of taxes, year-round, on permitted land, and everybody else can go in there and utilize that property and nothing's paid.

The outfitters use that property. Do you ever think of taxing them, Mr. Minister? The loggers that go in there and log the logs and the wood, do you ever think of taxing them? In fact your own government, SERM, that uses that for hunting rights, do you ever think of taxing them?

Why are you giving the RMs the power to collect all those . . . that tax when everybody else is using it? That's what's unfair about it.

So the forest fringe grazing association's having a meeting at the end of May. And at that point we'll decide what we're going to do. And there's been options raised that we should take the government to court. Now maybe that's not the right way of going, but what else have they got to do? They've tried every avenue. We've tried for, like I say, five years to get the government to understand that. Nothing's happening, sir. And I think it's time it is.

So what do I tell the people of this forest fringe grazing association at their meeting come the end of May in regards to the discussion we're having today?

Hon. Mr. Taylor: — I don't know how much time it'll take for us to prepare some information, but I would hope that we can pull some information together prior to that meeting. We will share with you information that we have gathered, comparison of the arguments that have maintained the status quo to this point, and we will share that with you. And perhaps you could take it to the meeting. Perhaps you could comment and then get back to us on it. But we will gather information as quickly as we can and we will share it with you.

Mr. Allchurch: — Thank you, Mr. Minister. Would it be fair to say that if we find out when this meeting is going to be, if I was to approach you about this meeting and let you know on what day it is, would it be fair to say that you or one of your deputy ministers like Mr. Steeves attend that meeting with information?

Hon. Mr. Taylor: — I don't think this is an appropriate place to negotiate schedules, but I would give you a commitment that we are not afraid to attend meetings. And if the right type of, or the right opportunity was there and the schedule was fit, I don't see any problems with myself or one of the officials attending the meeting.

Mr. Allchurch: — Well, Mr. Minister, I think this is the proper place to ask those kind of questions. The people out there that are watching want to know, because for five years nothing has happened. And they've asked me to address this again.

So all I'm saying is if the time . . . and I know with the numbers here in the House, that time, or when meetings are called becomes a problem. But I am sure the forest fringe grazing association would be pleased to work with you or your deputy minister in regarding a time when your party and the forest grazing people could be together to meet.

Because I'm telling you the people that are in the forest grazing operation are having frustrations like you wouldn't believe with BSE (bovine spongiform encephalopathy) and everything else. And this is one more added tax that they've got to keep taking out of their pocket. And when you take the education tax, the municipal tax, the permits, and everything else that goes on, why don't they just sell the cattle or, pardon me, now with the BSE problem, shoot the cattle and say the heck with it? That's the way they feel.

So I think it's time, Mr. Minister, that your department and your deputy minister get together, come up with some solutions, and work with us and the forest grazing people to come up with a comparable solution to this problem, because they can't afford what they are doing now. And right now the frustration is rising to the fact that maybe they should take the government to court.

Hon. Mr. Taylor: — I appreciate the information that you are bringing forward, Mr. Allchurch. I was not making any comments with regards to we shouldn't discuss the issue here. What I was suggesting we shouldn't discuss is, without my calendar and stuff, a schedule — which day is it? We have to work that out with the calendars in front of us. And I'm even thinking as I'm sitting here, that if the date was right and we do our consultations properly, maybe a representative of SERM should be in attendance at that meeting. Perhaps we can coordinate something that works better for all of us.

Maybe we can't gather the information by a date that the forest fringe people . . . and they want to meet on their own first, in advance, to provide some additional information to us. Maybe we want to build a collective response to a second meeting.

There's a number of things like that that we should talk about. So I simply give you my commitment today that we will gather the information for me . . . I know that information has been gathered, but to advise me as to the current status of the circumstances — where SERM is at, where the government is at through Government Relations, where SARM . . . what their position is on this. I need to know that.

And once I've gathered that information, have identified where a particular problem might be — and it might be SERM, it might be SARM, it might be us — that we will then sit down with you, share that information with you, and if it appears that this a good time for the two parties to be meeting, we will do so.

Mr. Allchurch: — Thank you, Mr. Minister. I look forward to your comments regarding some member from SERM also being there.

As you know, the RMs would like SERM to be a tax collector in this regard. And SERM does not want to be the tax collectors of taxes on that land that they have jurisdiction over. They said they don't have the power to do that and they don't want to do that. SERM just permits the users of all the land in a fair and equitable position . . . or way, and they don't want to do that.

So I look forward to working with you and the SERM department in trying to resolve this problem. And thank you, Mr. Minister.

The Chair: — Ms. Morin.

Ms. Morin: — Thank you, Mr. Chair. I was just wondering if you could maybe explain to me — because I'm requiring more information in my learning capacity here — what the department's done to build a relationship with the municipal sector.

Hon. Mr. Taylor: — Thank you very much. I'm glad you picked up on some of that in my opening remarks because I think this has been a significant achievement of the department and of the municipal sector over the last few years. And I'm grateful for the work that the department has done and the previous minister has done prior to my getting here, to putting in place the circumstances that have allowed me to develop some new relationships.

Over the last few years we have identified some of the significant challenges facing the municipal sector. We've identified areas where additional resources are required. We've identified some areas where legislation needed to be developed or enhanced or expanded. And we've developed a process by which we could take a look at, how do we address future needs.

And as a result of what used to be called a municipal round table in which the Department of Government Relations and the municipal sector, urban and rural, got together to discuss matters, we have now changed that format from round table to a forum, a results-based meeting place, whereby we will take very specific information, areas of common interest, to the municipal sector and Government Relations on behalf of the provincial government and take that somewhere — results based.

Most recently, I think one of the very good examples of this, and we will see this developing over the next year, is a consolidated Act for towns, villages, rural municipalities. The consolidated Act . . . Currently we are, we are . . . not the consolidated Act, but currently we are each year examining and looking at the way in which legislation affects municipalities. The old urban municipalities Act has been substantially changed. It's now The Cities Act, done in consultation with the cities, the urban municipalities in Saskatchewan. We have a rural municipalities Act and we want to combine the North, the rural municipalities, the towns and villages, into a consolidated Act so that we aren't amending three, four different Acts every year.

The municipal sector, primarily the urban municipalities, have been working on a towns and villages Act in consultation with the department. Through the forum we have now developed the process whereby the rural municipalities are looking at

combining the strong elements of the rural municipalities Act into the proposal that SUMA has brought forward for towns and villages Act.

And we will be presenting, I would assume either this fall if the legislature sits this fall, or next spring if we can't get agreement to sit, a new consolidated Act. This is a significant achievement for the department and the municipalities included.

We have also begun a process to examine the way in which Saskatchewan can participate in the new . . . the new deal offered by the federal government. We know that in his quest for election the Prime Minister, Paul Martin, has indicated a desire to work closely with Canada's cities. He's talked about infrastructure; he's talked about communities. Each of the provinces have begun looking at what it might mean to them.

Saskatchewan, thanks to the co-operative efforts of the urban and rural municipalities with this department, are engaged in a process — again through this forum — are engaged in a process that will result in a common approach to the federal government that will set a Saskatchewan position that includes identifying the needs of rural Saskatchewan, towns and villages, urban Saskatchewan, and of course our large urban centres.

These are all matters that have developed out of a growing co-operative relationship between the municipal sector and this department. The people that surround me today are responsible for building the trust relationship with the people who work in our municipal sector all across the province. And thanks to that work that's been done by, as I say, the people around me and the people who work within the department, I think we're going to achieve a great deal over the coming years.

In addition to that, it's helped build training programs. It's ensured that we've been able to achieve some increases on the financial side, revenue sharing, distribution of revenue sharing, and including the North in all of our developmental work.

So I'm extremely pleased at where we are at today. I look forward to where we might be able to go because of where we're at today. And I am . . . I believe that all of the people of Saskatchewan will be well served by their governments — whether it's an urban government, a rural municipality government, or the provincial government — because of this relationship that's developed.

Ms. Morin: — Are you . . . You touched on training programs. I'm wondering if maybe you could elaborate a little bit on the supports that the training programs are offering along the lines of training and advice or something to that effect for the municipal sector.

Mr. Steeves: — I think that . . . a number of things. Most particularly we sat down with the sector several years ago and started looking at issues that needed to be addressed. And there was a strong sense at that time from rural and urban municipalities that training for municipal administrators and also opportunities for elected officials to get a better background of some of the issues facing them would be helpful.

And we struck a working committee at that time with representatives from the Rural Municipal Administrators'

Association, SARM, Urban Municipal Administrators' Association, SUMA, ourselves, and a representative from New North which is a subgroup of SUMA. And essentially over the last couple of years, firstly, designed and built modules in a program what we . . . short form we call MLDP, municipal leadership development program. And it's intent really is to provide elected and appointed officials opportunities to gain a better background — issues like economic development, land-use planning, running meetings, the list goes on.

We identified approximately six modules initially. And we field tested those, at this point successfully. I think the intent would be that we'll see those fully in place. From there we're looking at the possibility of extending other modules. We've had some indication . . . One that's come up I think just from the field is greater familiarity with the use of technology. As we become more I think dependent upon the use of the equipment, people need a better sense of how it all works. So we're looking at the possibility of something in that area.

As well, as a subset of this but related to it, the North has some specific issues in terms of the need for background. And we've worked with New North in that case, with the support of SARM and SUMA to begin to build some more specific modules that talk about financial management issues. Oftentimes municipalities there have difficulty recruiting and some of the people need more background in that area. So in conjunction with New North, we've worked to develop some specific modules on that and also a bit of the electronics familiarity. Those workshops have actually begun and were being run this winter with the northern municipalities.

We expect also as a subset of this, as we're kind of moving forward with respect to the municipal leaders development program, we've actually begun to begin talking about putting some of these things on line. One of the issues in Saskatchewan is we have a very dispersed rural population. It's not easy to drive to wherever. And we've talked about trying to position these things in a regional basis but we've begun to do some work, and it's very preliminary at this point, to take a look at one or two of the modules and try and get them on line. We may be working with people at the University of Regina in that regard. They have some expertise there.

But that gives some sense, Minister, of some of the things we're working on.

At this point the MLDP program as it's called in the sector, the associations, both RMAA (Rural Municipal Administrators' Association of Saskatchewan) and UMAAS (Urban Municipal Administrators' Association of Saskatchewan) are recognizing completion of the specific modules in their annual conventions, with . . . certificates have been developed, that sort of thing.

At this point SARM administers the program. We provided some sort of upfront seed money to get the thing up and running — not a lot. The intent was I think that it would become self administering. SARM is taking responsibility for doing that, done a very good job. And at this point the program seems to be developing nicely.

Ms. Morin: — Thank you. My question was going to be about accessibility and such because of the fact that we are such a

diverse province. So I thank you for answering that ahead of time. Those are my questions. Thank you.

The Chair: — Mr. Hermanson.

Mr. Hermanson: — Thank you, Mr. Chair, and welcome, Mr. Minister, and your officials. Am I correct in my understanding that the Department of Government Relations is responsible for municipal affairs, the Acts regarding the assessment of property, the collection of property taxes, the appeal processes? If there are . . . you know, if there are problems in that regard, it's your department that would be approached. Am I correct?

Hon. Mr. Taylor: — Yes, that's correct.

Mr. Hermanson: — Is it not . . . isn't it usually the case that if there is an exchange of property, a change of ownership in property and there have been problems with arrears or a dispute about tax collection, that at the time that ownership of property is changed that those issues are dealt with and if there's taxes owing those situations are corrected? Doesn't that usually happen when there is a transfer of property from one owner to a new owner?

Hon. Mr. Taylor: — I don't fully follow your question, Mr. Hermanson, because municipalities essentially are your tax collectors and follow through with the process of arrears and that sort of thing. So I'm not quite following what your question is.

Mr. Hermanson: — Well yes, and perhaps this doesn't fall directly under your responsibility, but my understanding is that, that if a municipality has not received taxes on a piece of land, you know, they would put a lien against it or whatever. And usually if that land is going to exchange owners, that situation is often dealt with between the seller of the property and the owner of the property before the transaction is completed.

Isn't that the usual process for dealing with arrears and tax disputes when property transactions occur?

Hon. Mr. Taylor: — Mr. Hermanson, I believe that's the normal course of events, yes.

Mr. Hermanson: — I'm sure you're aware of the problem with the rural municipality of Canaan where a couple of properties were owned by the Saskatchewan Valley Potato Corporation, which are Crown entities. And arrangements had been negotiated in the past. The municipality felt that because the land was assessed and it was essential to collect taxes on that land and property base they issued tax notices. There were negotiations, and the Crown agreed to pay grants in lieu of taxes. For one property, the property in the community of Lucky Lake, that grant in lieu of taxes for the year 2000-2001 was \$100,000. And the agreement that was made at that time was up to the end of the year 2001.

The year 2002 came along and no agreement was in place, so again an assessment was levied against the Saskatchewan Valley Potato Corporation. And under the Act, if they don't agree with that they're supposed to appeal or go into negotiations. They failed to do that in 2003, and so were assessed a tax bill for this property of \$33,938 which has not yet

been collected by the rural municipality.

Would it be fair for them to approach your department to try to resolve this problem, when a Crown entity like Sask Valley Potato Corporation was negligent in not putting forward an agreement to collect grants in lieu of taxes and in fact did not appeal the taxes that they were assessed?

Hon. Mr. Taylor: — Mr. Hermanson, my initial response would be that no, they would not approach my department, Government Relations, in this regard. They may have a legal case. The corporation or Department of Finance may have a legal case. So at this point, on the surface of what you're telling me — and I don't believe they have approached Government Relations in this regard — but I do not believe that we are there to sit in judgment of this particular matter as you've described it.

Mr. Hermanson: — Well, you know, I'd be cautious about answering that way because you are responsible for the Act and the carrying out of the Act. Quite frankly, just because it happens to be a Crown that didn't pay the taxes assessed to it, if they are not in compliance and it is legislation that you are responsible for that's involved, isn't that reason why you as a minister in your department shouldn't get involved in a case like this?

Hon. Mr. Taylor: — Thank you for that information, Mr. Hermanson. I think the appropriate route for the RM in this case is simply to pursue legal action.

Mr. Hermanson: — In other words what you are recommending is, if an entity like Sask Valley Potato Corporation is either negligent or refuses to put together a proper agreement with the municipality, they're on their own. Don't expect help from the Government of Saskatchewan. Go through a very costly, expensive legal process. In other words, take the government to court. Is that what you're recommending?

Hon. Mr. Taylor: — I've been around the political world for some time as you have, Mr. Hermanson, and I've learned quite some time ago that you just can't let somebody else put words in your mouth. And that's one of the things that you're trying to do here.

I don't have the details, other than what you've told me. I have not been approached by the RM in this case. I have not . . . at least to my knowledge it hasn't come across my desk. If the department has been approached, then there's material being developed and a response being developed. I'm not aware of it at this point. It has not reached my desk. So it would be unfair for me, speaking on behalf of the government, to suggest any course of action specifically to the RM without having the benefit of reviewing the information and assessing all circumstances.

But based on what you have provided to me today, I do not see a role for my department. I'm not a lawyer, but I do believe, in my personal and private life, that when I have a legal case I would consult a lawyer, and a lawyer may suggest to me to take it to court.

Mr. Hermanson: — Mr. Minister, if my information is correct, your department has been contacted and in fact has been involved with this case. I'll do more research and double-check on that.

But I would also suggest you do some research and check on this because I feel that the province of Saskatchewan would be much farther ahead if, instead of taking a hands-off approach as you seem to be taking, this government said we want to have good relationship with the municipalities and with the Crowns, that I feel have a responsibility, as would the private sector, to do their share in paying for the infrastructure and the benefits that they've received from municipal level of government.

Crown entities cannot work if they don't have, in rural Saskatchewan, if they don't have municipal roads to function on. Nor could they operate in urban Saskatchewan if they don't have proper streets and policing and all of those things.

It is not, it is not . . . Even though the government is very, very powerful, I don't think it should be their prerogative to say that we shouldn't have to pay taxes or grants in lieu of taxes if we don't feel like it, and that we should be able to not have to comply with the law when everyone else has to comply with the law.

They were assessed taxes. Sask Valley Potato Corporation was assessed taxes. They had the right to appeal, and in fact in 2003 — this is interesting — in 2003 they did appeal. But in 2002 they were either negligent or didn't care or thought they were above the law, and so they did not appeal. They did not make other arrangements. They are in arrears, and they refuse to pay the rural municipality.

Now as the minister responsible for Government Relations, I would think it would be in your best interests — and certainly in the province's best interest — not to say, oh, we'll let the lawyers fight this out in court and see how much damage we can do. I think it would be in your best interest to try to resolve the situation and say, let's find an accommodation; let's find an agreement so that the municipality can be compensated for the services they provided for Sask Valley Potato Corporation when they were in existence and operating this property in the municipality.

Hon. Mr. Taylor: — Thank you, Mr. Hermanson. In every case where there's a dispute, there's always two sides. And I understand that you are presenting a very specific side with some references to the government side without having information from the government side.

We don't know what the corporation's response has been to the RM. I'd like to take a look at that. They may have approached a municipal adviser. Our municipal advisers take hundreds of calls every year. They deal with them. They don't necessarily always send a request up to the minister's office.

What we do in most cases — whether it's health care, education, social services — is when a matter is brought to an MLA (Member of the Legislative Assembly) and the MLA brings that matter to the minister, the minister will review the case. And I am certainly no different than other ministers who sit on the government side, today or in the past. You have raised

an interesting case with me. I will make inquiries, both of the RM and of the corporation or the . . . whoever is serving in that capacity now. And I will follow this up — not ignore it, not send it off to lawyers, which . . . sort of the direction that I believe the basis of your original question led me to.

But the bottom line here is you are bringing a case to my attention. My officials will gather whatever information they have. We will talk with the RM, and we will see if there is some role that Government Relations can play in this regard.

I know that other municipalities have brought other cases not dissimilar — not the same, but not dissimilar — to my attention regarding communities in the North. And we have reviewed those cases, and we have provided some assistance that brought owners and municipalities together. And I don't know if it's possible to do that in this case without reviewing all of the information. But I believe that, to be fair to all parties, that I would have to hear both sides of the story. And if there's some advice I can provide, I will. And if it appears that it's a matter that I can't resolve, I'll have other directions for it.

Mr. Hermanson: — Thank you, Mr. Chair. Obviously there are always two sides to a story, and I'm not . . . and I certainly haven't indicated that I've taken sides in this case.

But I would also remind the minister this is not a new case, and I'm surprised that he's not aware of it. It was a CBC (Canadian Broadcasting Corporation) story on May 27, 2003, so that's almost a year ago. And the story was that the RM of Canaan claimed an 84,000 tax bill on a potato deal. And it said the provincial Crown investment officials say that that's a bill that the company has no intention of paying. So, I mean, there's some real hostility and frustration here.

And you as a minister are . . . I'm not saying you're responsible to take sides, but as a minister for Government Relations that works with municipalities, you certainly have a responsibility to be aware. And I would suggest you should know what both sides of this argument are by now. It's a bit like the member from Rosthern-Spiritwood. I mean, he brought his case, he said, for five years before this legislature and nothing has changed.

You've mentioned that cases like this have come up in the past. This case is a couple of years old now. And, you know, when you're looking at a bill of \$84,000 — and a good number of those dollars go to fund education required by the Outlook School Division to pay teachers' salaries and then make sure our kids get, you know, a decent education, and we all know the pressures on that system — I feel that it does need attention.

And I would urge you, Mr. Minister, to make a public commitment that you will investigate this at your earliest convenience and respond in some way to the RM of Canaan so that they at least know whether your department is willing to render an opinion or to suggest a way out of this impasse.

Hon. Mr. Taylor: — I can make that commitment. We will indeed investigate and respond to the RM and perhaps even to yourself, Mr. Hermanson.

Mr. Hermanson: — Thank you, Mr. Minister. One more question, under the municipal Act . . . and we know that

normally if there are arrears and they're not paid that the municipality can take possession of that property in light of taxes not being paid.

Is this the case with a Crown owned entity like Sask Valley Potato Corporation? Would the municipality have had the opportunity when the transaction occurred to actually take possession of that property since, when the deal was negotiated and the new owners took ownership of this property, the taxes weren't paid? Did they make a mistake? Should they actually have taken ownership? Or are they allowed . . . under the Acts that affect Crown property, are they entitled to take ownership of this property when taxes aren't paid and there is a dispute?

Hon. Mr. Taylor: — It's a good question, Mr. Hermanson, and I think when we investigate the specifics of the matter that you've raised to this point, we will include that in our investigation. It is my initial belief that Crown property is treated differently than private property. However I will, I will get very specifics in this regard in this specific case.

Mr. Hermanson: — Thank you, Mr. Minister, and thank you, Mr. Chairman.

The Chair: — Mr. Elhard.

Mr. Elhard: — Thank you, Mr. Chairman. Good afternoon, Mr. Minister and to your officials. I heard in your opening comments reference to the Canada-Saskatchewan Infrastructure Program and the dollars that had flowed to the province and to various communities as a result of that, that funding.

And I understand also that there were a number of communities that were quite anxious to receive funding under that program because its guidelines specifically targeted money to water and water sewer treatment facilities and other green projects. And while there was some desperate need in some communities and they probably were gratified to receive the money, there were a number of other communities that either didn't qualify for the funding and others who didn't apply for it because they had no need. They had — on the basis of good management, good planning over the years — addressed their own water sewer infrastructure needs. So they weren't looking for any kind of federal-provincial funding to address that.

But they had other infrastructure needs that were very real to them and very pertinent to their survivability and to their longevity as communities, and to the quality of life they provide in their, in their own circumstances. Those needs might have entailed new paving requirements, street repairs, might have required airport runway re-covering or work of that nature — maybe a library, maybe a sporting complex. And even though it might not seem that those kind of improvements in terms of infrastructure in communities are as vital as water, they're just as necessary to the quality of life in those communities.

So, Mr. Minister, what I'm asking is, what do I say to the communities in my constituency who were just completely incapable of attaining the kind of guidelines that were in place, but still had realistic needs to provide services to their community and their residents. How can I address their concerns?

Hon. Mr. Taylor: — Thank you very much, Mr. Elhard. I appreciate your question, and in fact I am asked by local municipalities that question myself. And the best answer that I'm able to give and that I think you should be able to give to those municipalities as well is, to continue to work to build the best communities that they can, and we will continue to work on behalf of senior levels of government, federal and provincial, to be able to put some programs together to assist them.

The Canada-Saskatchewan Infrastructure Program was indeed a very popular program. The program was initially a program of federal money to be balanced out with provincial and municipal money, and the driver of the program were the municipalities themselves. There was criteria set, and the criteria was primarily federal criteria. The provinces always looked for a little more flexibility in the type of criteria, but we can't argue with the need for sewer and water infrastructure support. The demand in this province, as it is across Canada, is considerable.

I don't know if you're aware, but this last two years of funding there were 361 applications received, of which funding was only available for some 71 projects. So obviously criteria needed to be put into place. And that criteria needed to be fairly specific so that each of those applications could be evaluated so that there was a fair distribution of dollars to successful applicants.

The Canada-Saskatchewan infrastructure committee that establishes the criteria, primarily in conjunction with the program as rolled out by the federal government, included two representatives of the federal government, two of the provincial government, two representatives from SUMA, two representatives from SARM. So in fact the criteria was developed with a very large percentage of municipal representation on that. Then it was that committee that evaluated the applications based on the criteria that had been set. And the recommendations for approval of funding came from that committee. So for all intents and purposes, the municipal sector has been very active in both the development of criteria within the guidelines that have been set out by the federal government and in assessing applications for funding.

So despite the fact that there are some communities that have applied and been denied, the program still is a very valuable program that has provided a considerable amount of money to the municipal sector and its taxpayers in Saskatchewan. I might point out that based on the applications that we've received — some of which are recreational facilities, some of which are road infrastructures — there's about \$90 million worth of projects out there for which applications have been provided but no funding was made, was available. There just was no further dollars available.

It is the province's desire that, when we participate in a future infrastructure program, that it does contain more flexibility, that we are able to be more able to meet the needs of those communities who have already updated, without federal or provincial assistance, their sewer and water needs because there are some communities that are ahead of the pack. They did their work while others didn't, and we want to be there to support them as well. It will require a joint effort between the municipalities and the provincial government to address this issue with the federal government in the rollout of a new

program, and it's our intention to try and do that.

Mr. Elhard: — Thank you, Mr. Minister. I think the communities that have raised this issue with me would be appreciative of that, that more flexible approach to funding on a grant basis for their own projects. I think flexibility is an important consideration here, and recognition of the leadership some of these communities have shown in the areas of water and water sewer treatment would be tacit in that kind of flexibility because we would be saying, you've shown leadership here; if you need money for other areas, here's what's possible, here's what's available. And I think that kind of recognition would be greatly appreciated.

We have just about run out of time, I understand. Do we have time for another question or two, Mr. Chairman?

The Chair: — If we can have the question and the answer concluded before 5 o'clock, it would be appreciated by the people who are recording this.

Mr. Elhard: — I'll be very brief then. I just want to check on the role of your department, Mr. Minister, in a couple of other areas, and if you have no involvement, please just say so and I'll accept that.

Does the department play any role in the effort right now to pursue a new radio communications system for the RCMP (Royal Canadian Mounted Police)? Is your department involved in that project at all?

Hon. Mr. Taylor: — No.

Mr. Elhard: — Thank you. Is your department involved at all in the policing agreement and the cost of policing that is being developed for rural municipalities and communities?

Hon. Mr. Taylor: — The answer isn't a simple yes and no, but it's primarily no. We have provided technical assistance with regards to the municipal side of matters. We've provided technical assistance to Justice, but the issue is a Justice issue.

Mr. Elhard: — The third area I was wondering about, Mr. Minister, is the imposition of section 35 of the new water regulations. I'm assuming that is primarily a Department of Environment activity, but has your department played any role in the imposition of those regulations?

Hon. Mr. Taylor: — Again I think I have to say no in the brief question. It is an Environment issue.

It's certainly . . . certainly the department and myself have been approached in this regard — the effect of the regulations and on municipal governments and financing and training and staffing and the delivery. So we don't have a direct relationship to the making, amending, changing, or rolling out of the regulation. But we're a conduit. Information has come through us and passed on to us, and we are gathering information that may be of some assistance down the road if there are problems.

Mr. Elhard: — As you can appreciate, the reason I raise those particular issues in this set of estimates, Mr. Minister, is that they are cost prohibitive for many of the small communities and

municipalities that I represent. Those are just three of the most recent examples of what has amounted to downloading on municipalities by the federal-provincial governments. And frankly I've got communities there who are going to be insolvent if they have to look after the cost of these new programs. They just aren't, they aren't in a position to pay the price.

And I guess as the minister of the department that is in charge of looking after intergovernmental affairs and municipal issues, I want you to be aware that the hardship in rural Saskatchewan is hardly describable. And for some of these communities — and we're talking in some instances of communities with 50 people to 150 to maybe 500 people — there's nowhere to go for them in terms of raising more revenue to pay these bills that are being imposed on them. And I don't think the planners and I don't think that the people who come up with these wonderful solutions ever take into consideration the impact at the lowest level.

And so I want to raise that with you because I think if you start hearing from municipalities soon about how this is going to create insolvency in some cases, you'll need to know why, and you'll have been forewarned.

I think we've really run out of time now, so I'd like to thank the minister and his officials for being here this afternoon. We appreciate the candour and the opportunity to put these questions to you, and I would now move adjournment.

The Chair: — Thank you, Mr. Elhard. The committee now stands adjourned.

The committee adjourned at 16:58.

